UNITED
NATIONS

A E

General Assembly
Economic and Social Council

Distr.
GENERAL

A/50/525
E/1995/122
11 October 1995

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Fiftieth session
Agenda item 12
REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

ECONOMIC AND SOCIAL COUNCIL
Resumed substantive session of 1995
Agenda item 6 (q)
ECONOMIC AND ENVIRONMENTAL QUESTIONS: PUBLIC ADMINISTRATION AND DEVELOPMENT

Report of the Group of Experts on Public Administration and Finance on its twelfth meeting

(New York, 31 July-11 August 1995)

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly and the Economic and Social Council the report of the twelfth meeting of the Group of Experts on Public Administration and Finance which, in pursuance of General Assembly resolution 49/136 of 19 December 1994, will be considered by the Assembly at its resumed fiftieth session and by the Council at its resumed substantive session of 1995.

95-30660 (E) 011295 051295

Annex

REPORT OF THE GROUP OF EXPERTS ON PUBLIC ADMINISTRATION AND FINANCE ON ITS TWELFTH MEETING

(New York, 31 July-11 August 1995)

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 17	4
II.	ROLE OF PUBLIC ADMINISTRATION IN DEVELOPMENT	18 - 84	7
	A. Role of public administration in sustained economic growth	28 - 35	10
	B. Role of public administration in promoting social development	36 - 45	12
	C. Role of public administration in facilitating infrastructure development and in protecting the environment	46 - 58	13
	D. Role of public administration in promoting partnerships	59 - 71	15
	E. Role of public administration in managing development programmes	72 - 75	18
	F. Role of public administration in establishing and maintaining the legal and regulatory framework	76 - 84	19
III.	CAPACITY-BUILDING IN PUBLIC ADMINISTRATION	85 - 144	21
	A. Enhancing policy development capacity, strengthening organizational structures and improving civil service systems	98 - 111	24
	B. Strengthening financial management in the public sector	112 - 120	26
	C. Developing human resources in the public sector	121 - 131	28
	D. Improving efficiency and performance in the public sector	132 - 138	30

CONTENTS (continued)

		Paragraphs	Page
	E. Developing administrative capacities for post-conflict restoration and rehabilitation of government machinery	139 - 144	31
IV.	CONCLUSION	145 - 146	33
V.	RECOMMENDATIONS	147 - 163	34
	A. National Governments	150 - 158	35
	B. The United Nations	159 - 163	36

Appendices

I.	Consolidated recommendations arranged by topic	38
II.	Agenda	55
III.	List of participants	56

I. INTRODUCTION

1. Pursuant to General Assembly resolution 49/136, the United Nations Department for Development Support and Management Services (DDSMS), on behalf of the Secretary-General, convened the twelfth meeting of the Group of Experts on Public Administration and Finance, held under the United Nations programme in public administration and finance (hereinafter referred to as the Programme) at United Nations Headquarters from 31 July to 11 August 1995. This meeting was the preparatory meeting for the examination by the General Assembly of the question of public administration and development, to take place at its resumed fiftieth session. The Group of Experts had the following terms of reference, which were derived from the resolution:

(a) To contribute, through the Economic and Social Council, to the resumed session based on the experience gained in assisting developing countries and countries with economies in transition in capacity-building in public administration for development;

(b) To review the United Nations activities in public administration and finance;

(c) To make appropriate recommendations for action at both the national and international levels, especially for strengthening the role of the United Nations in this field.

2. The report of the Group of Experts will be submitted to the Economic and Social Council (ECOSOC) at its resumed session in late 1995 and it will be an input to the preparation of the Secretary-General's consolidated report. The report of the Secretary-General on public administration will be discussed by the General Assembly at its resumed fiftieth session in April 1996.

3. The preparations and coordination for the resumed session are being undertaken by DDSMS and began in January 1995 with a departmental working group which formulated a draft plan. A technical committee set up to guide the process comprised institutions with significant programmes in public sector administration and management. This committee was composed of representatives of the United Nations Development Programme (UNDP), the World Bank, the International Labour Organization (ILO), the Economic Commission for Africa (ECA), the International Institute of Administrative Sciences and the Harvard School of Government, with DDSMS chairing the committee. This committee first met on 10 March 1995, technically analysed the resolution and derived four main themes for consideration at the resumed session: (a) strengthening capacity in public administration; (b) the role of public administration in promoting social development; (c) development of infrastructure facilities and protecting the environment; and (d) management of development programmes.

4. The technical committee further developed specific topics within the main themes. The specific topics are: sustained economic growth; promoting social development; facilitating infrastructure development and protecting the environment; promoting partnerships; managing development programmes and establishing and maintaining a legal framework for development; enhancing policy

development capacity; organizational strengthening; improved civil service systems; strengthening financial management for development; developing human resources for the public sector; improving efficiency and performance in the public sector; and developing administrative capacities for post-conflict restoration, including crisis management and rehabilitation of government machinery. A wide variety of public administration activities apply to the peace-to-development and disaster-to-development continua, for which institutional strengthening and capacity-building are important aspects of peace-building.

5. Consultative meetings have been held periodically, including of representatives of Member States, United Nations agencies, intergovernmental organizations, non-governmental organizations, research institutes and the private sector.

6. Prior to the commencement of the twelfth meeting of the Group of Experts, the Department convened an informal inter-agency working group on 28 July 1995. The main objectives of this working group were to review the activities of the agencies under their respective public administration and finance programmes and to consider common issues that the working group as a whole could recommend to the Group of Experts for priority consideration. The General Assembly, in the above-mentioned resolution, also requested the agencies to contribute, through the Economic and Social Council, to the work of its resumed session.

7. The inter-agency meeting was attended by representatives of the Department for Development Support and Management Services of the Secretariat (DDSMS), the Department for Economic and Social Information and Policy Analysis (DESIPA), the Department for Policy Coordination and Sustainable Development (DPCSD), the Economic and Social Commission for Asia and the Pacific (ESCAP), the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the World Bank. Written statements were submitted by the representatives of DESIPA, ESCAP, ILO, UNDP and the World Bank.

8. The inter-agency working group noted the importance of public administration to development and recommended that closer collaboration on specific programmes and projects be developed among the agencies to achieve maximum benefit for developing countries. The group also recommended that DDSMS contribute to coordination of inter-agency programmes in public administration and finance, specifically to serve as a clearing-house for experiences in public administration reform and innovation, and to facilitate sharing experiences among Governments, as well as among agencies. The group recommended joint programme formulation missions, consultation in the early stages of programme formulation and follow-up collaboration in the implementation and evaluation phases.

9. Also, the inter-agency working group noted that in many human resources development programmes, training was given insufficient emphasis. The group suggested that greater attention needed to be paid to the organizational context of the trainees and the encouragement to utilize the new skills and knowledge obtained through training programmes. The group also noted the need for effective coordination of central frameworks for financial, legal, personnel, planning and information management with performance improvement programmes in

operational ministries and provinces. The group also recommended emphasis on "management of change" programmes and establishing and strengthening appropriate national institutions to lead these processes of change in public administration and finance.

10. The twelfth meeting of the Group of Experts was opened by the Under-Secretary-General of the Department for Development Support and Management Services. He noted that public administration and finance were the backbone of development efforts, and in particular the foundation for operationalizing at the field level the concepts and plans articulated at the major global conferences. He noted that sound institutions and governance systems in accordance with specific conditions of individual countries were prerequisites for human development and sustainable development.

11. The keynote speaker, Mr. Guy Braibant, Section President of the Conseil d'Etat of France and former President of the International Institute of Administrative Sciences, stated that the role of public administration was often underestimated. He noted that the scope and focus of State machinery might be changing, but cautioned that without the effective and efficient functioning of the State's operations, its development programmes could not be successful. He stated that while the State machinery should be modest, it should be strong in those activities on which it chooses to focus. He further noted that improvement of public administration was less a problem of finances than a problem of will.

12. Thirty-seven experts were invited from different regions of the world to attend the twelfth meeting of the Group of Experts. The experts participated in their individual capacity and not as representatives of their Governments or organizations. In addition, the meeting was attended by representatives of the regional commissions and other United Nations bodies, specialized agencies, interregional and regional institutions, and non-governmental organizations. A list of participants is given in appendix III to this report.

13. The Group of Experts elected Ms. Juliette Bonkoungou (Burkina Faso) as Chairperson; Mr. Luis García Cardenas (Mexico), Ms. Maria Gintowt-Jankowicz (Poland) and Mr. Clive J. Parry (United Kingdom) as Vice-Chairpersons and Ms. Corazon Alma De Leon (Philippines) as Rapporteur.

14. The Group of Experts deliberated its agenda through plenary and working group sessions. Ten working groups were constituted, one for each topic, combining the first two subjects into one topic. The subjects were: (a) policy development capacity and administrative restructuring, civil service reform and management training; (b) financial management; (c) human resources development; (d) public-private interaction; (e) public sector efficiency; (f) social development; (g) infrastructure and the environment; (h) legal and regulatory framework; (i) post-conflict rehabilitation and reconstruction of government machinery; and (j) management of development programmes. The agenda adopted by the Group of Experts is given in appendix II to the present report.

15. The working groups were led by the following moderators: Mr. Luis García Cardenas, Ms. Corazon Alma De Leon, Ms. Marié Hélène Dumestre,

Mr. Salman Faruqui, Mr. Gérard Marcou, Ms. Namane Magau, Mr. Jose Oscar Monteiro, Mr. Graham Scott and Mr. Selwyn Smith.

16. The Group of Experts had before it the following documents: Strengthening government capacity for policy development (ST/SG/AC.6/1995/L.2), Administrative restructuring, civil service reform and management training (ST/SG/AC.6/1995/L.2/Add.1), Financial management for improved public management and development (ST/SG/AC.6/1995/L.3), Strengthening government capacity in legal and regulatory framework (ST/SG/AC.6/1995/L.4), Improving efficiency of the public sector: a case study of Malaysia (ST/SG/AC.6/1995/L.5), Improving efficiency of the public sector (ST/SG/AC.6/1995/L.5/Add.1), Public-private interaction (ST/SG/AC.6/1995/L.6), Human resources development: a case study of South Africa (ST/SG/AC.6/1995/L.7), Human resources development (ST/SG/AC.6/1995/L.7/Add.1), Modernization of the State for social development (ST/SG/AC.6/1995/L.8), Role of public administration in developing infrastructure and protecting the environment (ST/SG/AC.6/1995/L.9), Complex systems in crisis: the development process under conditions of urgent stress (ST/SG/AC.6/1995/L.10), Restoration and restructuring government administrative machinery in post-conflict peace-building (ST/SG/AC.6/1995/L.10/Add.1) and Role of public administration in the management of development programmes (ST/SG/AC.6/1995/L.11).

17. The deliberations and recommendations of the Group of Experts are recorded in the reports of the working groups which have been incorporated into a final report. All experts heard all plenary presentations and participated in plenary discussions. Each expert participated in two working groups, one on the role of public administration and one on capacity-building. Each expert contributed to an informal discussion, in an area of his or her expertise, both for a substantive topic and for a capacity-building topic. Each working group met for six hours and prepared a report. The reports of the working groups were presented individually as they were completed and then compiled in a final report, which is divided into the two main themes: role of public administration in development and capacity-building. The report of the Group of Experts contains a total of 103 recommendations for national Governments and 96 for the United Nations and the international community. Recommendations were therefore made at different levels to include the numerous socio-political and economic stages in which countries are aligned. In view of the length and dimension of styles reflected in the analysis of various topics, the Group of Experts requested the Secretariat to edit the report and consolidate the recommendations for consideration by ECOSOC. The present report provides a condensed version which maintains the conceptual integrity with the stylistic uniformity and intellectual thrust of the recommendations made by the Group of Experts.

II. ROLE OF PUBLIC ADMINISTRATION IN DEVELOPMENT

18. Since the late 1980s, global development strategies and initiatives have been influenced less by perceived bipolarization of the international arena and more by three emerging factors: a demand for increased participation in governance; increased economic interdependence within a global market economy; and increased emphasis on issues of social justice. Other fundamental changes

influencing development dynamics include the rapid pace of change brought about by technological advances and the emergence of non-governmental organizations and cross-national economic ventures. Within this context, there is awareness of significant successes and failures in development efforts, an understanding that effective development requires attention to sustainability, and realization that there are no quick and painless strategies for development. Given the magnitude and scale of change required in some developing economies and economies in transition, it is recognized that long-term, comprehensive, complex, and multi-system change processes are required for sustainable development.

19. Under the changed global context which is impacting all countries, the traditional configuration of the relationship between Government and society is no longer relevant. The current structure and processes of governance are questioned at two levels: (a) the role of the State and (b) the role of public administration in development. First, within the context of increased private sector and non-governmental organizational activity, many Governments are attempting to redirect the role of the State to that of regulation and creation of an enabling environment. Second, the tasks of public administration, which historically had been complex and difficult, are increasingly so. Greater complexity and interdependence create the impression that many development problems facing public administrations are unsolvable. For example, with significant vertical and horizontal integration among countries the assumptions underlying solutions to country-based unemployment have changed so substantially that old paradigms for solving unemployment can no longer be utilized by public administration to remedy unemployment at the country level.

20. The primary challenge requiring a redefinition of the role of the State arises from the market-based economy. The State, under conditions of comprehensive market-based economy, redirects its role away from production functions and towards policy and regulatory functions. This shift generally results in a State machinery which is less heavy and less bureaucratic. The policy and regulatory functions put strong demands on information gathering and analysis activities. The State machinery is required to develop its thinking and control capacity, that is, a collective "brain" for society, thereby taking responsibility for analysis, planning and evaluation, with continuous feedback mechanisms.

21. At the same time, there are some fundamental functions like peace and social justice, environment and good governance, which cannot be privatized. These serve as a reminder that society does expect the State to be responsible for certain functions through its own State machinery, that is, the public administration. Given the importance of peace, social justice, environment and good governance, public administration can be expected to thrive. It is equally certain that when markets fail, as they often do, even in those countries with a strong market orientation, or when markets create an unhealthy business climate, the public administration will have to maintain its role of policy-making, regulation and mediation.

22. Moreover, as long as there will be a need for defining the future of the country through the development process, balancing existing societal values and commitment with emerging values and new challenges, and responding to national

consensus-building and global changes, there will be a significant role for the State and public administration.

23. The more likely scenario in reshaping and redefining the State and public administration will be one in which the State will more comprehensively involve its citizens in governance through greater responsiveness to citizen needs and demands and greater transparency and accountability. The public administration system will re-engineer its management system for improved efficiency. The public administration system will maintain its core responsibility in the application of the rule of law, and programmatic development responsibilities in poverty alleviation, infrastructure development and social development, as well as contemporary responsibilities in environmental protection and facilitating private sector development.

24. If public administration is to continue to provide leadership in the process of achieving sustainable development, it must earn the trust and confidence of the public in its ability to respond to the needs and demands of the people. In order to earn this trust and confidence, Governments need to improve service delivery, establish an open, enabling framework for socio-economic activities, and provide an impartial and fair framework for social and economic interactions.

25. Critical factors for restoring public confidence are leadership, commitment to change and flexibility. Leadership will define and communicate a vision for the future, as well as strategies through which to reach openly stated and well-defined goals. Long-term thinking, both at the national and international levels, needs to be linked to the immediate needs of the people. Commitment to change is defined by the ability of the public sector to respond to changing circumstances by facilitating economic growth, extracting resources for current services and new demands and, at the same time, maintaining current services without increasing the cost of these government activities. These challenges for the public administration system require administrators not only to keep pace with change, but respond to and anticipate change. A responsive public administrative system needs to be modular and flexible.

26. The knowledge and skills needed for administration and management in this changing global context are different. When information and resource exchanges transcend national boundaries and initiate interactions between individuals in different nations, administrators are required to be open, flexible and able to deal with complexity. No longer are societies, Governments, economies and public administrations isolated and impacted only by national needs. With the conditions of global interaction changing at a rapid pace, public administration systems need to be both responsive and pro-active. Public administration systems in development must, indeed, be managers of change.

27. The role of public administration can therefore be viewed as sustaining economic growth, promoting social development, facilitating infrastructure development and protecting the environment, promoting partnerships, managing development programmes and maintaining a legal and regulatory framework.

A. Role of public administration in sustained economic growth

28. Public administration has a pervasive influence on sustainable economic development. The concept of sustainability is increasingly informing interventions by national Governments and their development partners. The concept has physical aspects and human aspects. At the physical end, the United Nations Conference on Environment and Development and Agenda 21 have brought concerns for natural resource depletion and degradation into public administration. At the human end, the United Nations Secretary-General's agenda for development has stressed that economic growth is not pursued for its own sake, but rather for poverty alleviation and the progressive empowerment of people to make the choices that shape their lives. It is evident that in the new market-oriented paradigm of development, Governments have a greater responsibility to protect the poor and disadvantaged and to seek ways of bringing them into the mainstream through adequate access to productive assets and by strengthening social safety nets.

29. Public administration's continued role in sustainable economic development will be defined through its role in policy planning and management, resource mobilization and public expenditure programmes. Policy is strongly influenced by administrative capacity and the set of institutional mechanisms and processes within which policy is formulated. As the role of public administration shifts to one of facilitating, promoting and regulating rather than providing, there is a need for new attitudes, new techniques and higher competencies. Getting policy right in an increasingly globalized and complex world requires the very best equipped people and efficient systems. A comprehensive review of government may consequently become necessary in several instances.

30. Sound macroeconomic policies underpin sustainable economic growth. There is broad international agreement today on a number of policy issues. Sustainable economic growth depends, inter alia, on a clear and stable framework of government policy, particularly trade policy, competition policy and control of monopolies, labour policy, environmental policy, foreign investment policy, fiscal policy including investment incentives, monetary and foreign exchange policies. Governments are shifting from being interventionist and State-monopoly oriented, and are favouring the location of wealth-creating activities in the private sector, except where there are transparent and demonstrable reasons for public-sector involvement. Consequent on deregulation and structural adjustment, micro-level reform is taking place in several countries.

31. In the area of resource mobilization, there is evidence that while global flows of foreign direct investment tripled in the 1980s, they were very selectively oriented. Commercial flows to developing countries are very contingent on investor perceptions of domestic political, social and economic stability and investment-friendly policies and conditions, in which public administration has a critical role. An important part of this perception is the liberalization of the domestic economy and its opening to greater international competition. This does not necessarily mean the removal of all restrictions or the complete elimination of protection: it does mean a major shift away from isolation and towards active involvement in global trade and investment opportunities. The experience of successful countries suggests the possibility of exploiting foreign direct investment and trade linkages. This can be done

through a combination of investment-promoting, productivity-enhancing and networking policies that enable domestic firms to upgrade their production through product and process innovation and to penetrate new markets.

32. Public finance shapes the course of development. Public spending, taxes, user charges and borrowing affect the behaviour of producers and consumers, and impact the balance of payments, foreign debt and the rates of inflation, interest and exchange. The problem for many countries is how to achieve macroeconomic stability without retarding long-term development. More attention needs to be given to the impact of adjustment at the macro budgetary level on those government sectoral policies which are crucial to sustained economic growth and poverty alleviation. Careless fiscal austerity, such as across-the-board cuts in budget allocations, can lead to recession and disproportionate burdens on the poor. Governments are placing greater reliance on user charges as a source of revenue. In some countries, proceeds of sale of public assets are giving a short-term boost to revenue. Tax systems are being restructured to be more neutral in their allocative effects, and simplified to reduce the costs of compliance and enforcement and to improve yields. In many countries, the focus is on the reform of the banking system and the development of a capital market to mobilize funds, especially domestic savings, for productive investment. Bank supervision is being tightened up. Central banks are being made more independent in order to insulate the currency from popular pressures. In all these areas the role of public administration will increase in importance.

33. In public expenditure programmes, public administration will be involved in rationalizing and streamlining the medium-term development planning process (including aid planning and coordination), and integrating this with the annual budgeting process. Public administration will have to utilize budgets not only as instruments of accountability but also as instruments of management. An appropriate balance must be found between development expenditures and recurrent expenditures. The public sector in many countries has underutilized and undermaintained capital assets. These needs will also have to be addressed.

34. Other areas of concern for public administration will include remedying the scarcity of well-developed project proposals which are acceptable to financiers. The main issues of project selection in practice are: how to design the project development process so that bad projects (and projects that could be undertaken by the private sector) can be identified at an early stage and weeded out without the negative political and bureaucratic fallout that accompanies outright rejection; how to apply consistent criteria of project appraisal across a number of agencies, especially in the context of administrative decentralization; and how to ensure the sustainability of projects in terms of capacity to meet future recurrent costs. In countries where a large part of the development budget (or even all of it) is financed by external donors, there is a real problem of exerting national control over the selection of projects and reconciling the national development planning process with the procedures of multiple donors.

35. At the implementation stage, both capital and recurrent expenditure programmes diverge significantly from plans and budgets, thus nullifying many of the planned synergies and linkages. Many countries are experimenting with the

potential of modern information technology. However, project management still tends to be identified with financial monitoring; the usual indicator of achievement is the rate of spending. There is relatively little effort to identify the sources of project delay and to break bottlenecks in implementation. The cost of delay is not brought to account so no one is held accountable. On the financial side, accounting data are commonly late and unreliable; they are prepared on a cash basis which does not match with physical progress or outputs.

B. Role of public administration in promoting social development

36. The social situation in many parts of the world has reached a critical level at which whole societies are at risk of becoming socially unstable. The costs in terms of human suffering in broad sectors of the world's population are of such magnitude that the search for social solutions must be at the centre of public attention over the next three or more decades. The World Summit for Social Development has given renewed impetus to the social development theme and has called upon societies to establish a framework for social development which builds upon a culture of cooperation and partnership.

37. Public expenditure cut-backs in recent years have had a detrimental effect on the development of social services in several parts of the world. There is a causal relationship between the weakening of the State and public administration and the decline of both social service delivery and social policy-making in several countries. The need for building capacity for social policy development is particularly acute.

38. Trends observed in both developing and developed countries reveal accelerating poverty: growing numbers of families live below the poverty line and there are increasing instances of extreme poverty in which families are unable to satisfy their most basic necessities. Large numbers of trained and skilled workers are also losing their economic base, regressing down the socio-economic scale. Moreover, poverty is particularly focused on children, women and youth.

39. There is a growing acknowledgment that the role of the State in promoting social development is crucial because it is only the State that can conceive and formulate social policies on a broad scale and ensure their effective coordination. Public administration should be capable of addressing the root causes of poverty and inequity, and improving the social situation of societies which have reached a critical level, by narrowing the gaps and promoting social equality. This key role falls to the public administration sector, in part, because it serves as coordinator for the provision of basic social services that the market will not provide. Also, there is a shift in development priorities towards greater investment in people.

40. Thus, Governments have to provide leadership for a collective process of massive and sustained long-term investment in the social sectors. This question is linked to government decision-making and priority-setting with respect to public expenditure. In Latin America, for example, countries have in fact been decapitalizing their educational and health systems, thus widening the gap

between social groups. On the other hand, the example of some South-East Asian countries demonstrates what is possible when investment in the social sectors is supported. In many countries, even if additional resources for social development could be assured, it is still questionable whether the present government machinery would be capable of delivering the desired level of social programmes. Capacity-building is needed not only for policy formulation but also for implementation.

41. Public administration must also generate higher quality in its policies. At present, social policies often aim solely at resolving the "casualties" of economic policies. Public administrators need to develop a coherent social development policy, which implies better articulation between economic and social policies and instruments. Designing such policies is a complex and technically difficult activity, but is extremely necessary.

42. Concurrent with this leadership role, there is a strong need for the State to modernize itself and increase its efficiency to deliver social programmes and services as well as to redefine the manner in which the State coordinates its functions with civil society.

43. Modernizing the State in the social field is of strategic importance for the future of developing and developed countries. Much will depend upon the State's ability to generate a new perception of how to deal with social development policy and its willingness and capacity to achieve efficient management at both macro and micro levels.

44. Social programmes require a high degree of cooperation and collaboration among large numbers of agencies and organizations and call for active participation of the community, grass-roots organizations and NGOs. They must promote transparency and accountability. This has its political and technical complexities and requires innovation on the part of the State and a break from the traditional relations between public administration and the community.

45. In sum, public administration must be capable of much more audacious and innovative thinking and action in the light of the magnitude of the social issues and problems that it faces. Whether or not societies are willing and able to improve significantly the levels of their social management will determine to a large degree the extent to which these societies will survive. The question is how best to modernize public administration to carry out effectively its role as promoter of social development, mobilizer of social investment and innovator in the field of social management.

C. Role of public administration in facilitating infrastructure development and in protecting the environment

46. As the twenty-first century approaches, public administration faces a number of goals as providers of infrastructural services. Among these are improved efficiency, increased reliability, cost-effective management, integration of environmental concerns in infrastructural development and maintenance, reducing the growing dichotomy between urban and rural infrastructural services, and sustained economic growth.

47. Historically, the combination of a society's primary need for services and its technological potential has been the fundamental catalyst for the formation and execution of large-scale physical works projects. Investment in transportation, energy, telecommunication, water and sanitation continues to be a basic measurement of societal development and the public sector's efficacy.

48. Five critical issues that confront public administration in the area of infrastructure are coordination, economic development, maintenance, finance and environment protection.

49. With regard to coordination, public administrators seek a correct balance between competitive and monopolistic provision. Competition, though apparently expensive in terms of duplication of capacity, may reduce overall costs and also provide more back-up facilities for essential services.

50. Public administration will continue its important role in economic development and growth through infrastructure development in such areas as transport, water and electricity, which are intermediate inputs to production. Any reduction in the costs of these inputs raises the profitability of production, thus permitting higher levels of output, income and employment.

51. The linkages between infrastructure capital and economic growth have generally produced a significant, positive effect on economic output and growth. But it is difficult to capture all possible externalities and spillover effects of investment. Infrastructure promotes growth most effectively in situations where a substantial level of activity already exists. It makes significant contributions to growth through the reduction in costs for services. But in many developing countries there is dramatic evidence of the negative impact of inadequate infrastructure services on economic growth and social welfare. It is the responsibility of public administrators to ensure access to services, particularly at the regional and local levels. Without such a commitment, in many cases, the economic and social development of large segments of the public would be prejudiced.

52. A severe barrier to sustainable development in nearly all developing countries has been the consistent failure of infrastructure providers to support facilities through adequate maintenance programmes. The consequences of inadequate maintenance severely limit efficiency in all sectors of infrastructure. Over tim , poor maintenance results directly in reduced service quality and increased costs for users.

53. Unavailable resources, unskilled staff, inadequate project planning and lack of coordination are the obvious factors for poor maintenance programmes. But perhaps the most significant reason has been a systematic bias in favour of new construction at the expense of maintenance and even efficient operations. The current nature of donor financing reinforces this bias.

54. Inadequate maintenance remains a serious challenge. Allowing roads to deteriorate, irrigation canals to leak, water pumps to break down and sanitation systems to overflow results in lost capacity, declining output and/or a substantial increase in additional investment needed to sustain existing levels of service. An indifference to maintenance is associated directly with poor

infrastructure policies which in turn absorb scarce fiscal resources and compromise macroeconomic stability. Poor policies lead to low-quality unreliable services, thus alienating users.

55. Three strategies will characterize the maintenance of infrastructure. These are: (a) the wider application of commercial principles to generate more recurrent income; (b) the broader use of competition in order to reduce the cost of construction contracts and maintenance programmes; and (c) the increased involvement of local communities and users where commercial and competitive behaviour is constrained.

56. The three critical financial issues facing public administrators are: (a) the financing of new projects and the effective management of the resource allocation process; (b) the financing of maintenance and the issue of prioritization according to the scope of projects and the urban-rural mix; and (c) how to ensure environmental sensitivity in all aspects of infrastructure financing, and the potential additional cost that may be incurred.

57. Environmental impacts have rapidly become a central concern in the development of infrastructure policies and agenda in all nations. It has been evident for some time that externalities of infrastructure development have taken their toll on the environment. Negative environmental impacts have often resulted from a failure to take into account interdependencies among infrastructure sectors, and the fact that public agencies themselves can be polluters.

58. In many countries, unfortunately, there is an absence of environmental sensitivity at the various tiers of government, particularly at the local level. If regional and local planning are to be effective, it is the responsibility of public administrators to address these issues thoroughly. Another challenge for public administrators is to change traditional thinking at regional and municipal levels regarding the environment. This could be done by integrating environmental protection requirements into general administrative procedures.

D. Role of public administration in promoting partnerships

59. The public administration role in private sector development is threefold: stabilization, promotion and regulation. First and most fundamental is stability in all its aspects - political, social, economic. Without stability, there is no confidence in the future and no long-term economic activity.

60. In public-private interactions there has been a shift of thinking on the role of Government and on forms and modalities of interaction with the non-State sector. The production of an increasing range and proportion of goods and services is being taken on by private profit and non-profit organizations and individuals, while Governments are increasingly involving customers and beneficiaries in the design, implementation and evaluation of government programmes. Governments want to mobilize the information, energy and resources of private firms, non-governmental organizations and private individuals to meet social needs. In promoting public-private partnerships, such as public joint

ventures and build-operate-transfer projects, public administrators will be responsible for protecting the public interest.

61. The limitations and constraints on public-private interaction are attitudinal/cultural, organizational, market related and administrative. In some countries, the public sector and the private sector think of each other as essentially different, not just in managerial style but in underlying goals and values. Where antipathy is extreme, there will be little productive interaction. What is needed, in the first place, is an awareness of common development goals, and a willingness to listen and understand on both sides. Process consultancies can help to catalogue new productive relationships.

62. For each service, the Government needs to consider whether it is a public or private responsibility, whether it needs public or private financing and whether public or private production is more appropriate. However, Governments often lack the capacity to structure their relationships with private sector partners and to ensure that the public interest is served. Public administrators will require a new sense of direction and new skills.

63. Business promotion raises complex issues of strategy and policy. However, most countries are promoting their small and medium-sized enterprise sector, which has been found to play an important role in promoting economic development. Private enterprises should have the same access to credit from State banks and from donors as public enterprises. In some countries, new forms of partnership between branch banks, mobile banks, informal savings and investment schemes, grass-roots organizations and other sources of credit, such as village moneylenders, are increasing the range of access to credit. Public administrators exercise a leadership role in putting together these arrangements.

64. Privatization is the most striking economic phenomenon of the last decade. Governments are putting many of their micro-management responsibilities into private hands. There is a strong trend, now observable in practically every country, to trust the market more. Many clear successes have been scored. However, there have also been many mistakes and lack of transparency in the design and implementation of privatization programmes; in some countries, privatization has become a dirty word. Governments need to pay more attention to the achievement of efficiency gains through competition and the transparent structuring of each privatization so that all parties gain - customers, investors, employees and the Government. Governments should resist pressures to privatize which will compromise the realization of efficiency gains.

65. Few countries so far have undertaken independent and in-depth evaluation of the results of their privatization programmes, even after several years of implementation. Without evaluation against the original objectives, there is a risk that privatization is evaluated inappropriately. It is important to include all the criteria of success in an evaluation, not only the financial criteria. Governments should ensure independent evaluation of the impact of their programmes.

66. Every country has a number of State-owned enterprises which cannot be privatized in the immediate future. Many of these are large and inefficient,

but cannot be discontinued because the social and political consequences would be unacceptable. Governments are trying, with varying success, to improve the performance of such enterprises, particularly their efficiency and financial performance, by restructuring, by hardening their budgets, by corporatization and self-financing regimes, and by separating ownership functions from management. Separation is sought by using holding companies to manage portfolios of similar enterprises and/or by contracts which make management fully accountable by pre-defining their goals in objective terms, discontinuing procedural constraints and interference in their authority to achieve the goals, and by rewarding or penalizing managers according to their measured performance. Social goals are separated from commercial goals and explicitly financed by the Government. Contracts made with outside managers (management contracts) or the incumbent management team (performance contracts) will place heavy demands on public administrative skills in the future.

67. In some countries, there are major potential benefits from the conversion of defence industries and budgets to civilian purposes. The process of conversion requires political will and a pragmatic market-oriented approach at the enterprise level. The key resource and advantage of military enterprises is usually their advanced technology. The government role here will be to use its leverage as the customer to pressure military industry to plan conversion so as to mobilize these resources for development. Joint ventures with civilian partners are used to introduce new technology, product ideas, managerial skills and access to foreign markets. Enterprises may be privatized before or after physical conversion. Alternatively, particular operations may be spun off and purchased by the managers and employees.

68. Regulation starts with a market-friendly legal environment. This requires not only laws and regulations on property, bankruptcy and insolvency, formation and management of companies, partnerships and joint ventures, securities, banking, insurance, taxation, accounting practices, etc. but also the courts and administrative personnel to support, implement and enforce them (see sect. F below).

69. Many developing countries still have a high level of administrative regulation of business. Several Governments have examined the rationale for their administrative controls and simplified and streamlined them, often creating a one-stop agency to reduce the cost and delay, particularly to foreign investors. Administrative deregulation has the further advantage that it attracts more enterprises into the formal sector.

70. Regulation of business activity by Governments serves to correct for market weaknesses and to protect vulnerable groups where they are unable to look after themselves. The respective groups are customers/consumers, investors/creditors, users of the physical environment and employees.

71. Consumers have been a vocal pressure group against privatization, since they fear price increases from the ending of consumer subsidies and from unrestrained monopoly sectors. They also fear lowering of quality standards by firms having only bottom-line criteria, and loss of access to services which cost more in remote areas. These fears relate to monopoly industries where the consumer has no choice of supplier. In developing countries, even after

deregulating industries formerly reserved to State enterprises, monopoly is widespread - domestic markets are small and economic plant sizes are relatively high. In practice, many developing country products and services are de facto natural monopolies long after they have been demonopolized in more advanced countries. Consumer protection and other forms of regulation will be a continuous and major role of Government in the development process.

E. Role of public administration in managing development programmes

72. The role of public administration in the management of development programmes has many facets. Some of the issues in which public administrators will continue to be involved include:

(a) The need for the absorptive capacity of implementing agencies to be taken into consideration during the planning and programming of development activities;

(b) The importance of transparency and exchanges of information in the course of development programmes;

(c) The need to utilize fully and build on existing national capacities, e.g. governmental systems and institutions, national human resources, non-governmental organizations and the private sector;

(d) The importance of South-South collaboration and interaction in formulating country-relevant development programmes;

(e) The potential for the development partnership concept to be expanded by including institutions from all levels of society in the development planning process;

(f) The need for the State to provide an enabling environment that encourages the highest level of civil society participation in the formulation and evaluation of development programmes;

(g) The need for a genuine level of government "ownership" over externally financed development programmes;

(h) Realizing that technical assistance should not direct the outcome of development programmes, but support them; Government needs to exercise leadership in ensuring that wider economic and social goals will be realized by externally funded development programmes;

(i) Societal, cultural and economic constraints must be recognized by both host Governments and donors alike if external assistance programmes are to be formulated in a way that results in successful delivery of the intended outcomes; and

(j) All government development programmes need to be structured in such a way that the greatest multiplier effect possible is generated during implementation, thereby maximizing the benefits to society.

73. In many countries, government proprietorship of the development programme, including externally assisted components, needs reinforcement. The ability to ensure that the national development plan is being implemented in a harmonized way by all players, governmental and non-governmental alike, requires effective management of the implementation process.

74. The exercise of effective management requires that Government take the lead in articulating a clear role for all parties participating in the development process. Included in this articulation can be

(a) The role and scope for any technical cooperation activities, and the outcomes anticipated with respect to skill transfers and sustainability;

(b) The role and responsibilities of non-governmental organizations and private sector entities;

(c) The responsibilities of Government as concerns monitoring by non-governmental organizations and private sector entities;

(d) A definition of the process by which expert negotiation and evaluation of any bids to be solicited will be conducted, in the interest of enhancing the transparency of the implementation process; and

(e) Government policy on the multiplier effects sought from development programmes.

75. Critical to the management of development programmes is the role of public administration in the utilization and building of domestic human resource capacities. Existing national human resource capacities are frequently overlooked when formulating, implementing, monitoring and evaluating development programmes. Further, opportunities to comprehensively reinforce national skill bases through training need to be pursued far more vigorously by national Governments and donors alike. Particular reference is made to the need for enhancement of national technical skills in the complex fields of banking, international finance, capital formation and comprehensive cost/benefit analyses.

F. Role of public administration in establishing and maintaining the legal and regulatory framework

76. The legal framework of public administration is a central aspect of public administration and development; however, it is too often absent from discussions of modern public administration.

77. In many countries the legal framework of public administration cannot play its role for a number of reasons. In some cases it is not adequately sensitive to critical elements of the culture, e.g. in those countries which have legal

structures of foreign origin from colonial times, or because critical laws regarding public administration have become antiquated. Law is a major component and result of the cultural heritage of any nation. Compliance with law requires that legal rules be rooted in social values and traditions. Thus the law of public administration must be sensitive to this cultural foundation.

78. The so-called implementation deficit is a widely recognized problem. It is due to: the lack of resources for implementation; the imperfection of legal drafting; the lack of an appropriate administrative organization; and the instability of laws. It can also result from lack of consistency between some structural reforms (e.g. decentralization) and requirements of the law that central Government can no longer control. Lastly, a deficit of implementation can result from a lack of will to comply with law when in some cases, as a result of social fragmentation, informal linkages and norms overrule the legal rules established by law. These difficulties are harmful to the morale and performance of civil servants.

79. There is the ironic problem that while we see underapplication of the law, we also see systems paralysed by what appears to be an excess of legal constraints which are perceived to stand in the way of innovation, effectiveness and efficiency. They are also seen to characterize Government as excessively large, complex, and impersonal. At the societal level these tendencies seem to inhibit efforts at enhanced participation and democratization.

80. Public administration in the twenty-first century should be charged with the establishment of an appropriate and effective legal framework which is a prerequisite to creating an enabling environment and which is conducive to promoting sustainable development. It is also essential to the competency of the civil service to support the development effort.

81. The interrelationship between law and public administration has been overlooked and neglected in the current study and practice of public administration. This has been particularly detrimental to developing countries and countries with economies in transition, as their inherited legal frameworks may not reflect the culture of the country sufficiently and are not as flexible or responsive as needed to meet the rapid changes of our times.

82. Law is one of the central foundations upon which society is organized (i.e. constitutionally). It provides instruments which are essential to empower, regulate and control public administration. A primary distinction between public administration and other endeavours is that officers of Government are created by and act within the authority of law. Thus, the legal framework offers the basis for public administration. It also ensures rights, security and stability. It is both the means by which Governments regulate and provide services to citizens and the means by which those citizens may protect their rights. It is also a vehicle with which to address problems of corruption or abuse of power. It regulates the ongoing operation of public administration in terms of regularity, opportunities for participation, fairness, and the essential aspects of management in the public sector. It provides means for controlling the public sector in the sense of providing mechanisms of accountability and responsibility.

83. In terms of the challenge of development, law is essential for the guarantee of property rights (private and public), the stability of which is necessary to economic development. Appropriate regulatory frameworks are vital to stimulating participation in economic development. Appropriate legal frameworks are necessary for enhancing the development of civil society, encouraging the participation of local communities and indigenous people, and guiding the effective implementation of governmental goals through public administration.

84. In providing for all of these tasks, the legal framework of public administration provides a foundation for virtually all aspects of the task of governance.

III. CAPACITY-BUILDING IN PUBLIC ADMINISTRATION

85. In the 1990s, public administration systems are faced with many challenges. Dramatic changes in the global political environment, dynamic changes in communication technology, critical common global problems, and heightened emphasis on social justice and poverty alleviation are all trends that reinforce the need to have public administration systems capable of responding to multiple concurrent challenges.

86. These challenges animate both centralizing and decentralizing tendencies. Common global economic issues require synchronization of macroeconomic and social policies, thereby reinforcing centralizing tendencies for public administration systems. Addressing poverty alleviation and social justice requires deconcentrating authority and decision-making to the point of service delivery and further encourages decentralizing trends for the public administration system.

87. Knowledge and skills needed to operate in and manage each of the levels in the overall system are different. Complexities and the rate of change are different at each level as well as performance and organizational success measures. Also, administrators who work at the conjunction of different levels and systems of administration are confronted by even greater complexity and are required to possess ever more complex sets of knowledge and skills in order to function at a higher level of productivity and performance. For example, global movements of financial resources have become almost instantaneous as a result of technological advances. Public administrative systems are required not only to be able to understand such new practices, but also to be able to set and monitor policies and regulations within this new and complex context, if national financial systems are to be integrated into the global system while continuing to maintain domestic control.

88. While responding to these new challenges, national public administrative systems continue to be responsible for social and economic programmes. One aspect of response to these challenges may be a re-examination of core functions, which may be streamlined, thereby deleting some existing functions and assuming newer core responsibilities. Also, national public administrative systems have become increasing responsible for developing national plans, policies and programmes and for coordinating external aid flowing into the

system. These functions demand that public administrative systems acquire advanced capacities and capabilities.

89. Building capacity in the public administrative system involves preparing it to better perform its functions at all levels. At the grass-roots level, the administration is required to perceive changes in existing needs and activities. At the intermediate level, for example the provincial level, the administration is required to respond to changes at the grass roots while anticipating changes at the national and international levels. At the highest level, the administration is required to respond to all levels and complexities of changes in governance, and to be pro-active in anticipating long-term developments and in designing future-oriented strategies.

90. The single most important factor in public administration systems is people. Competent and motivated people constitute the most significant difference between successful and unsuccessful organizations. The most important organizational capacity is that of recruiting, motivating and retaining highly qualified staff. Public administration systems need to attract a fair share of the total quality workforce available in the entire workforce. At the same time, the public administration needs to strengthen the capacity of those who are already employed in the system. A two-pronged strategy of optimal utilization of existing capacity and systematic build-up of those areas in which shortages exist will promote human resource capacity-building in the public service.

91. A variety of management tools and technologies can accelerate the capacity-building process in public administration. Many of these tools can be easily integrated into a wide range of administrative systems, for example, office automation technologies, budgetary and financial management record-keeping, and personnel management information systems. Other management tools such as performance appraisal, strategic planning, professional development and training have to be adapted to the context in which these systems will operate. Still others, like transparency, accountability, devolution and decentralization, or participatory decision-making have to be negotiated to the satisfaction of all stakeholders involved in the process of capacity-building.

92. While each public administration system identifies its specific capacity-building needs, there are some recognizable trends in capacity-building. The first key area is building capacity of public administration systems in knowledge generation and creativity in defining the future strategies, which are core responsibilities of public administration for governance. Some of the subcomponents are: thinking strategically for the future; designing new ways of creating and appraising leaders; examining the process of policy-making and especially the relationship between different levels of policy makers; and establishing an interactive network of political leaders, top officials and other leaders outside the public administration system.

93. Second, there is a need to develop skills in dealing with multi-system and system-wide complexities and rapid change, which require universal perspectives, while at the same time developing specialization, which requires focused knowledge and skills. Within the context of managing complexity and change, there are fundamental issues of core competencies for different levels of public

administration and governance, and the nature of the changing demands for performance within public institutions. At one level of complexity and change is the issue of rehabilitation and restoration of public administration systems afflicted and beset by conflict. Management during times of conflict or peace may not require the same types of skills and knowledge, personnel or tools. Public administration systems facing conflict will need a capacity to establish programmes of restoration and rehabilitation within special constraints. At another level of complexity, the public administration system may need to respond to a natural disaster and therefore must be prepared to manage the multiple systems that can malfunction during disaster situations. In both conflict and disaster circumstances, there are many different systems that affect each other: transport, energy, economy, natural resources and communications, as well as the possible damage to the social fabric of communities. Public administration systems need to be able to animate cooperation and coordination among its various subsystems and with relevant systems in society.

94. The third area of capacity-building involves the massive volume of information required for effective public administration and the development of means of properly utilizing the processed information to undertake swift and dependable decisions which affect many lives. Understanding of modern communications technology for research and information gathering, as well as decision-making, will be a basic requirement for personnel in public administration systems.

95. Designing new public organizations and restructuring existing public organizations in order to improve and monitor service delivery is the fourth area of capacity-building. Service delivery is especially important in the 1990s, as the demand for effective and efficient service delivery increases while the resources available to deliver the services are severely reduced or at best maintained at the same level.

96. The fifth area of capacity-building is that of transparency and accountability. It is essential that public administration systems be capable of monitoring the use of resources in conformity with established standards and procedures and in terms of results achieved with those resources. Because external financial resources are involved in the overall management of financial resources, this capacity has an international dimension. While accurate financial accountability is a key to appropriate use of resources, it is equally important to ensure transparency of accounting of resources as they relate to programme output and performance. Financial management systems which meet international standards need to be put in place, and personnel need to be properly trained to supervise and manage these systems.

97. When administrators have high-quality training, work within a structure which motivates and rewards them, utilize modern management tools and enjoy reasonable conditions of work, they can be expected to contribute to organizational productivity and performance. Public administration systems can achieve their objectives if capacity-building leads to improving the total quality of public administrative systems, within a framework of clear policy goals and dynamic leadership.

A. Enhancing policy development capacity, strengthening organizational structures and improving civil service systems

98. Over the past decades, the State has been increasingly challenged in the performance of its major functions. It has had to face fundamental changes in the social, economic and international fields. The issues have become further aggravated because of political and financial crises. In some situations there are problems of security and maintenance of the rights of citizens. In some cases, the problem of the legitimacy of the State has given rise to the collapse of the State itself. Developed countries are not necessarily immune from this risk, while some developing countries and some countries in economic transition are in fact more exposed to it.

99. All State and government institutions have to respond to the challenges. The parliament and the Government must bear the political responsibility for the implementation of fundamental reforms. In this sense, the role of public administration is of paramount importance. In many cases the failure of the State is also the failure of public administration. In extreme cases, restoring the State's authority cannot be achieved without building or rebuilding a reliable public administration. More generally, development programmes carried out by international organizations or by other States have failed or did not fully meet their objectives because public administration could not cope with the implementation tasks generated by the programmes. Similar problems have arisen, to some extent, in countries in transition. It is axiomatic that a sound public administration is a precondition for political stability and development. More importantly, building a sound public administration requires political stability. Good governance implies political responsibility and responsiveness to the people, norms and standards in transparent and accountable public administration.

100. Therefore, strengthening government capacity, reorganizing government structures, civil service reform and training are now being given higher priority in most countries and international organizations.

101. In most countries, strengthening government capacity in continuously changing conditions has to be focused on two basic issues: reviewing the functions performed by the State and public entities and improving the decision-making capacity.

102. In the context of limited resources, it is the responsibility of Government to be able to review the scope of public responsibilities and decide whether new tasks require to be taken over by the public sector or provided for within the wider society. This review is extremely difficult and requires long-term strategic policy-thinking and policy-making capacity.

103. The policy-making capacity itself has to be improved. In most cases it is weakened by the overload of routine affairs or lack of expertise to take strategic decisions. Policy-making capacity requires: (a) highly qualified expertise in the higher civil service and links with independent research institutions which can provide relevant information; (b) the involvement of these resources in the policy process at the relevant stages to enhance

decision-making; (c) the establishment of reliable and readily available statistical information; (d) long-term considerations in policy-making informed by policy research and forecasting and calling for creativity; (e) the capacity to prepare policy choices and to enforce them when adopted.

104. The renewed interest in administrative restructuring results from a number of factors, interlinked in a variety of combinations. Prominent among them are: changes in the world economy and the process of globalization and competitiveness; rising demand for economic liberalization; delivery of social services; the search for the most effective modalities and processes for promoting productivity and modernization including the call for the use of good management practices to cut cost, waste and overlapping programmes and structures.

105. Despite the importance given in the past to administrative restructuring, those measures have largely failed because of ambiguity in objectives, lack of political support, resistance from within the bureaucracy, absence of clarity in focus and content, blind copying of foreign administrative models and sometimes poor judgement in timing.

106. It is essential first to mobilize political and bureaucratic support for restructuring through a shared vision and to make a realistic assessment of what is practicable in terms of time, resources and personnel components. This course of action should not be construed to mean formulation of an approach based on the lowest common denominator, but the consultative process should aim at bringing about fundamental and meaningful changes.

107. The prevailing issues in civil service reform and public personnel management are large and complex and should be closely examined so that the implications may be identified. While the civil service is a major instrument for managing public affairs, most Governments find themselves supporting a comparatively low-paid, oversized and over-extended bureaucracy. In some cases, the excessive role of the civil service and its weak performance culture are related. The system has not adequately addressed the issues of performance standards, procedures of selection, promotion and discipline. The goal of a good civil service reform programme should be to examine the issues of professionalism and confidence-building with citizens, as well as high-level competence, motivation, attitude and creativity in the service.

108. Structural adjustment programmes have emphasized civil service reform from the perspectives of cost containment, downsizing, issues of performance and effective management of human resources. These issues are difficult to put on a sustainable track unless they are viewed with a long-term perspective. The problem of downsizing has failed to work uniformly because of poor recruitment practices, lack of control mechanisms and the prevalence of temporary posts. However, promotion of social services for sustainable human development could require selective increases and redeployment in the civil service rather than downsizing.

109. It is essential to review the longer-term policy issues of civil service management, such as the merit-based career service, impact of political patronage on promotions, the continuance of large number of cadres, and the

fragmentation of personnel organizations which lead to uncoordinated management of human resources.

110. Despite necessary efforts made to bring about effective training in the public service, the need still exists to upgrade training as an investment in human resources in the civil service. Three constraining factors have continued to hamper effectiveness of training organization and planning: (a) lack of a national training policy; (b) lack of well-planned and structured training programmes based on clear and well-identified assessed training needs; and (c) lack of competent training institutions and facilities.

111. Overall, training policy must be designed so as to respond to the actual needs of managing national development, which is constantly changing. It is also essential to develop a consistent framework for the retraining of administrators at different levels with the changing realities and requirements of public administration. This needs to be reflected in civil service reform and public personnel management policy.

B. Strengthening financial management in the public sector

112. Financial management is a set of techniques and processes for planning, programming, budgeting, budget execution and accounting, financial reporting and auditing and evaluation. The objectives of financial management are to ensure that government financial resources are used lawfully, efficiently and effectively, and with accountability and transparency by executive government to the legislature and the people.

113. In many countries, financial management capabilities have been eroded by the pursuit of financial populism, ineffective and distorted budgetary mechanisms and the breakdown of existing financial management institutions.

114. A central concern for all countries is how to harmonize methods of strategic management and control of aggregate financial variables with processes for changing expenditure priorities and enabling effective and innovative management of service delivery institutions.

115. Improvements in financial management have been and are being made over the years in many countries. The continued persistence of fiscal deficits and the difficulties in moderating the growth in expenditures have compelled Governments to take a more strategic view when incorporating institutional reforms and improved methods of financial management. Substantial progress has been made by industrial countries, including Australia, Canada, New Zealand, the United Kingdom, the United States of America and others. These countries have undertaken several long-term financial management reforms in the restructuring of the public sector, application of market discipline, and introduction of cost accounting methods. Systemic improvements were made in terms of increased effectiveness in public administration by providing budgetary ceilings within which executives are expected to accomplish output-based performance targets, thus enhancing transparency and accountability.

116. In their endeavours to restore financial equilibrium and promote sustainable economic growth, public administration in developing countries and transitional economies which are coping with unsustainable fiscal deficits, unabating debt servicing burdens, and a decline in official development assistance may have to rely on resource mobilization strategies aimed at:

(a) Overhauling the entire tax system so as to adapt tax policy and tax laws to the evolving economic and financial situation, minimize equity distortion, ensure that taxes are consistent with the privatization of State enterprises, trade liberalization, increased financial intermediation and other reform initiatives;

(b) Selecting taxes that are administratively practical and can be implemented fully.

117. In the process of reform and with a view to creating an enabling environment for sustainable economic growth, developing countries and transitional economies are focusing on improving the allocation of resources, increasing the productivity of their economic system and strengthening the resource mobilization and budgetary positions to release essential resources for private sector development. To these ends Governments are enacting reforms and practices to:

(a) Create a comprehensive set of policies to address large financial imbalances and inherent structural weakness;

(b) Reform the public enterprise, finance, banking and fiscal sectors with a view to liberalizing trade and exchange rate regimes, decontrolling prices and reforming investment incentives that would make their domestic markets more competitive;

(c) Adapt policies to address adverse exogenous developments;

(d) Promote proper reform sequencing and sustained and continuous adjustment;

(e) Implement an outward-oriented market-based strategy that would promote financial stability; and

(f) Tailor these reforms to their specific circumstances and secure public acceptability.

118. Whereas developing countries by and large have implemented financial management reforms in budgetary techniques and processes to streamline public expenditures, or are in the process of doing so, the circumstances in transitional, least developed and adversely affected countries are very different.

119. Transitional economies are in the process of adjusting to decentralization and price-based mechanisms. Their needs for financial management improvement relate to: (a) delinking public enterprises from the government budget; (b) setting up monitoring, evaluation and reporting units to enable central

Government (as the owner/policy maker of public enterprises) to manage fiscal policy; and (c) creating new institutions to adopt uniform accounting and auditing procedures applicable to a market economy. At the level of central Government, the establishment of macroeconomic analysis and monitoring units will be required to properly link financial management with general economic policy and planning. Further, sound fiscal management will require strengthening of the spending control capacities of line ministries by installing budgeting and accounting units. Finally, support for fiscal policy implementation will require the clear delineation of fiscal responsibilities of each tier of government.

120. Either in the process of improving the overall financial management system, or in restoring financial equilibrium, or undertaking financial reform, public administration will continue to play an important role in defining the future. The direction of changes in the financial management system will depend on the specific circumstances of each country.

C. Developing human resources in the public sector

121. There is growing evidence of the importance of human resources management and the need for improved capacity-building in public administration, especially in an environment of declining resources and increasing needs and demands for government services. Integration into the world economy, increased competitiveness, a need to deal with complexities and uncertainties, and a focus on sustainable economic growth and development underscore the critical role of the human factor in steering the world towards a new era of good governance and sound economic and social development.

122. The development of human resources in government is a strategic tool which political leaders and top officials must use in order to equip their countries to take charge of continuous change.

123. Leaders who recognize that human resources are a strategic asset are more successful in dealing with change and uncertainty resulting from globalization, technological innovations and the management of crises.

124. Capacity-building in the public administration system as it relates to development of human resources will be defined by a number of key issues. The development of strategic human resource policies is the first key to capacity-building. This policy should be framed by an attempt to maintain high standards of professionalism and impartiality as well as a commitment by top management to development of human resources which must be openly stated, genuine and visible.

125. Investing in people, highlighting the attraction, retention and development of quality people, focuses on executive development and on ongoing, innovative professional development.

126. A third element of capacity-building is establishing flexible human resources systems and practices concentrating on defining core competencies, ensuring professional development and training programmes to meet specialized and changing needs, on the skill mix required for keeping pace with global

changes, and on improving recruitment and deployment processes to allow greater mobility within the public sector and with the private/non-governmental sectors.

127. A performance management system which allows for improving conditions of service, e.g. market-competitive wages and career progression, as well as an environment in which leaders improve internal communication in order to enhance staff motivation, will also build capacity.

128. For human resources development to take place there is a need to improve the process of decision-making to make it more consensual and horizontal, and to upgrade decision-making skills.

129. Effective human resources systems and practices should:

(a) Be merit- and performance-based, accountable, flexible, responsive and transparent;

(b) Empower, challenge and motivate individual civil servants to contribute to the work of the public sector;

(c) Be benchmarked against best practices.

For effective capacity-building:

(a) Leaders should accord the same priority to human resources as they accord to the other leadership tools at their disposal;

(b) Human resources strategies should be focused and, ideally, should be based on partnership and collaborative arrangements both within the public sector and with society at large;

(c) Both political leaders and top officials should ensure that human resources strategies are an integral part of nation-building and their "business plan".

130. Effective leadership for building capacity in human resources requires that leaders invest in people in order to generate innovative solutions and to provide responsive and quality services.

131. Effective investment in people is contingent upon top leaders themselves being learners. Research shows that when leaders are learners themselves, a number of positive developments take place including: (a) their organizations will work better; (b) they will gain an overall positive return on investment in training throughout their organizations; (c) they will create effective networks; (d) they will improve the position of the public service in a competitive global environment; (e) they will be better able to lead, manage and accommodate the kind of public participation required for promoting national development.

D. Improving efficiency and performance in the public sector

132. With increasing pressure from the global economy and rising expectations from the population, Governments are faced with the challenge of providing more and better services to the people at a time when resources appear to be shrinking. Efforts to improve performance in the public sector rest on the following premises:

(a) The performance of the public sector has an important impact on the well-being of the people;

(b) Performance is a function of three important and interrelated conditions, which involve both central policy institutions and the operational ministries, agencies and provincial administrations:

(i) Clarity of purpose;

(ii) Authority and responsibility;

(iii) Coordination;

(c) Organizational performance depends on effectiveness (doing the right task) and efficiency (doing it at least cost), thereby leading to achievement of results, and continuous improvement of performance and results;

(d) Information technology is a key to improving performance;

(e) Monitoring of organizational performance requires evaluation and measurement - both quantitative and qualitative - of performance, using performance indicators, whose measured values provide feedback to administrators;

(f) Strong organizational task performance requires the "right" people with the "right" degree of authority and responsibility, the "right" systems and procedures (differentiated for each organization in accordance with organizational needs and capacities), attention to providing adequate types and levels of resources and regular accountability, with personal consequences for high and low performance, as well as for non-compliance.

133. Performance in the public sector is multi-faceted and multi-dimensional. A performance measurement and monitoring system will provide the Government with feedback on how government policy and public service systems work. It will contribute to improving government policy.

134. Instilling effectiveness and efficiency in the public sector must become a sine qua non in the establishment of government strategic policy-making and service delivery. Objectives, goals, use of the private sector, the voluntary sector and the community, addressing the relationship between centralization and decentralization, and the better utilization of information are vital components that must be addressed in the development of any national policy for improving performance. The key issues that impact on performance are the clarification of

objectives, result-orientation, linking of results and costs, the time dimension, and the instillation of values that promote performance.

135. Central decision-making, budgeting and personnel systems and processes which are performance-oriented are the first precondition for effective performance at the organizational level. The second precondition is that there are effective coordinating mechanisms in place to address the linkages between sectors both at the level of strategic policy-making and at the point of service delivery. Within this framework provided by the centre, the central elements of performance orientation at the organization level are: clarity of purposes; authority to do the job; and accountability for the effective and efficient use of the authority in the achievement of results.

136. An effective and efficient public sector must be composed of three essentials: qualified personnel and incentives; workable systems, structures and procedures of public administration and services; and appropriate modern technologies and tools, in particular, information technology (IT). Government policies for achieving development objectives of the country can play a critical role in stimulating and guiding the establishment of a public sector performance measurement and monitoring system.

137. In the last decade, public administration and civil service reform have experienced an important conceptual evolution. The core of this evolution is to foster a more efficient and responsive public sector, including a greater citizen orientation through the use of IT so as to encourage more effective control of public resources while achieving results. In industrial countries, economic and social evolution has led to a changed relationship between the civil service and the general public. The increased emphasis on "service management" in the public sector, such as "no-stop service" and "one-stop service", has also led to more extensive use of tools for measuring effectiveness and efficiency. Today, the concept has produced a trend towards reorganization of the public sector more along the lines of a private business which provides important services in an efficient and cost-effective manner.

138. Adequate performance information is critical for performance measurement and management accountability. An information management strategy needs to be developed. The key is to prioritize organizations' information needs and carefully analyse the costs of reporting and organizing information. It should also be noted that there are many causes of misreporting or falsifying data. To avoid misreporting, a genuine working relationship between managers and implementers should be established. This requires personal visiting, training, several forms or channels of reporting, and stimulating the will to conform with management policy.

E. Developing administrative capacities for post-conflict restoration and rehabilitation of government machinery

139. National rehabilitation in countries in a state of conflict or post-conflict peace requires, among other things, the re-establishment of sound government. Current approaches and efforts tend to concentrate on peace-building, relief, demilitarization, and the holding of elections. Such

approaches and efforts stop short of ensuring that the conditions for self-sustaining administrative machinery are created at minimal cost. Moreover, the current range of external support efforts lacks sufficient coordination. This latter problem is exacerbated by the typically weak absorptive capacity of national public administrations in countries recovering from trauma.

140. These countries find themselves in situations which necessitate contextually relevant solutions. Some countries have basic working administrative structures; others face a total collapse of administrative structures and depletion of human resources. Another situation may occur in countries which are dealing with a grave natural disaster; for example, national institutions may be intact but local administrative machinery may be severely damaged.

141. What is required is an assessment of the specifics of each situation: the roots of the problems; the short-term and long-term means to address these problems and prevent their recurrence; and foresight as to eventual restructuring and development. Early assessment of needs will facilitate strategic planning and a quick response so as to contribute to sustainability in the long run. Such an assessment will also ensure that all actions form part of a continuum which will lead to effective government.

142. Although the experience of international support in this field is limited, some common trends drawn from positive experiences can be identified:

(a) Continuation of the process of political stabilization through consensus and confidence-building. This means that everyone, including the former contending parties, should meet with each other and discuss. Optimally, the country needs processes of communication and opportunities for interaction which will lead ultimately to consensus;

(b) Inclusion in the emerging political, economic, and social systems of all existing or emerging political and social forces and movements through processes of dialogue, forums and processes of consultation;

(c) Urgent and immediate attention to prerequisites for investments and restoration of production systems, for example, property rights, financial services and harmonious labour-management relations;

(d) Internal stability through the development of a political culture based upon the rule of law, respect for human rights, and protection of individuals against the internal lawlessness and banditry that often accompany the end of conflicts;

(e) A stable regional environment supported by international guarantees.

143. Before a national Government begins an administrative rebuilding process it is essential that its priorities be well defined. Cases of countries in the process of recovering from trauma have yielded effective strategies for both initiating immediate restoration mechanisms and for sustaining the transitional long-term period. Two important characteristics of any immediate strategy are comprehensiveness and flexibility. It should conclusively define policy issues

and draft national public policies, and provide for the restructuring and operation of key administrative components. The priority of a transitional/ long-term strategy is to rebuild public organizations and revitalize the economy while being adaptable to changing conditions. Any practical long-term strategy must take into account that complex networks influence the relationship among different tiers of government. However, its primary goal of social and economic rehabilitation should not be compromised.

144. The lessons above, drawn from experiences of extreme crisis - resulting from man-made or from natural causes - may also be relevant to apparently stable situations. As many countries undergo processes of non-violent radical change, they require a high-quality crisis-management capacity for handling trauma and quick reaction as part of a new set of public administration capabilities before such societies collapse or break up.

IV. CONCLUSION

145. What are the main ingredients which will define the role of future public administration? Where will critical capacity-building have to take place in public administration systems? What will be the role of the United Nations? These were the three central questions that served as guide to the recommendations of the Group of Experts. While country-specific systems will differ, there are three central ideas which guide public administration in developed, developing and transition economies. These are:

(a) Rapidly changing domestic and international conditions and demands for services will require innovative policies at the strategic level and improved service delivery systems at the operational level. Innovativeness defined by creativity and flexibility to respond to rapid change will be a main "core requirement" for development administration and governance;

(b) Public administration will continue to fulfil critical functions in development, moving from supporting measures for economic growth to protecting the environment, to determining the relationship between the public and private sector, to reducing poverty and illiteracy and other social development activities, thereby achieving the goals of sustainable development. Therefore, exceptional capacities to govern for development are essential for public administration;

(c) To fulfil critical future-shaping functions, public administration must bring about dynamic people-oriented systems through strategic restructuring and outstanding professionalism by attracting top-quality people into administration. Public administration as the centre of administrative and management excellence will require radical thinking and corresponding changes in service conditions, career patterns, and in the ethos of public service.

146. The imperatives of development require bold and imaginative initiatives to strengthen the capacity of public administration in developing countries and economies in transition if development is to be realized. The allocation of adequate staff resources and financial back-up is essential to undertake and encourage innovations at the organizational and governmental levels in different

fields of administration. A missing component in new areas of sustainable development, including social services, requires renewed emphasis on strengthening administrative capacity at different levels. Sound administrative capacity is a sine qua non for all sectoral programmes. The recommendations made in the report will provide the basis for action in different components of public management at national and international levels. Specifically, it is essential to strengthen and renew the role of the United Nations, including the central role of the Programme so that it can assist Member States in improving various parts of their administrative systems on a continuing basis. It is hoped that the resumed session of the General Assembly will be able to pass a powerful resolution to enable the United Nations, including the Programme, to work with interested countries in initiating and implementing public administration reforms, to monitor developments in public administration, reform and change, and serve as a repository of expertise and knowledge on a global basis and help coordinate the components of public administration within the United Nations system.

V. RECOMMENDATIONS

147. The report approved by the Group of Experts contained a total of 103 recommendations for national Governments and 96 for the United Nations. In adopting the report, the Group of Experts requested the Secretariat to consolidate the recommendations, highlighting the critical ones, and to prepare a plan of action in submitting these recommendations for consideration by ECOSOC and the General Assembly. In following this request, the Secretariat has identified below the main thrust and content of these recommendations, and consolidated and rearranged all the recommendations topically within two broad groups - national Governments and the United Nations. The complete set of consolidated recommendations is contained in the annex to this report. The plan of action is presented in the consolidated report of the Secretary-General.

148. In making the recommendations, the Group of Experts was keenly interested in maintaining the momentum achieved by the Group. In that context the Group of Experts recommended that national and regional examination of the role and capacity of public administration be undertaken prior to the beginning of the resumed session of the General Assembly in the spring of 1996. The report of the Group of Experts and the Secretary-General's consolidated report on public administration and development can be used as working documents for the national and regional meetings. These meetings should be used to develop country experiences, needs and innovations in development administration.

149. To institutionalize the follow-up to the resumed session and to ensure that public administration and finance issues are appropriately incorporated in the debate of the United Nations legislative bodies, the Group recommended that the body, which is a subsidiary body of the Economic and Social Council but serving only in an ad hoc advisory capacity, be converted into the United Nations Committee on Public Administration and Finance, reporting to ECOSOC, with members of the Committee being experts on public administration and finance nominated by their Governments and elected by ECOSOC. This representative intergovernmental body will provide a more stable platform for follow-up and

implementation of the recommendations of the resumed session on public administration and development.

A. National Governments

150. In making the recommendations at the national level the Group of Experts realizes that countries differ in their pattern, stage and level of development and public administrative systems, and that recommendations may therefore not be equally applicable. The recommendations apply differently to (a) those countries which are at the forefront of administrative transformation; (b) those countries where the administrative system, for a variety of reasons including system breakdown (natural and/or man-made) and system transition, is in the process of being started from scratch and which require basic public administrative processes and structural guidance and directions; (c) those middle-range countries which have made some advances but still require assistance for development of their public administrative systems. The entire set of recommendations, which addresses all three categories of countries, is included in the annex to this report. The recommendations listed below are condensed to provide the overall essence, tenor and direction of thinking of the experts.

151. As public administration will operate in an increasingly complex and rapidly changing external environment, there is a need for excellent development capacity and analytical skills. Establishing policy units at the highest levels of governance and disseminating such capacities and skills through the public administration system is an essential priority for all Governments. Public administration must not only draw upon its best talent to give its policy capacities a quantum push; it must concurrently include private think tanks, citizen groups and organizations and non-governmental organizations in its effort to strengthen its policy development role.

152. The Group recommended that optimal managerial capacity that allows for managerial flexibility be encouraged by structuring government units so that they are responsible and accountable for outcomes/delivery of services. Transparency of management style and greater access to citizen participation in public administration decision-making will enhance the Government's role as a protector of public interest.

153. It was recommended that swift and rapid effort be made to bring about maximum utilization of information technology. This is imperative to a forward-looking public administration system. Access and integration into the world communication system can jump-start efforts towards excellence in the public administration system and may help to propel the current development stagnation into a new era of growth and sustainable development.

154. It was recommended that the most intensive effort would have to be made in a forward-looking public administration system to orient government activities towards citizens, providing quality services based on acceptance and placement of citizens' needs first and institutionalizing citizen feedback on delivery of all services.

155. It was recommended that top leaders in both the political and administrative cadres must become learners before they can expect human resources development efforts to pay any dividend in the form of good governance and sustained development. Therefore, beginning with the top, core human resources need to become "learners" and permeate the entire public administration system.

156. It was recommended that the highest performance standards, both organizational and individual, must guide public administration if it is to make a smooth transition from its previous dominating role in the economy and society to a redefined role of catalyst for private sector development.

157. It was recommended that public administration enhance its role both in social development and maintenance of large, medium, and small-scale infrastructure. The Government should assume responsibility for establishing environmental standards and integrating those standards into the infrastructural and social development process. Balancing between purely economic needs and larger social needs will be a critical area for public administration. Its traditional regulatory role must be restructured and redefined in the context of the current function of economic growth and sustainability.

158. It was recommended that the public administration system maintain strong linkages to the international economy and society. In this capacity, Governments must strengthen their absorptive capacities in all forms and types of resource transfer (technical assistance, financial and technological). Greater assimilative and adaptive ability within the public administrative system has to be generated so as to maximize the benefits of the development process.

B. The United Nations

159. As nations continue to address the administrative challenges which were identified in the report, a strong and significant presence by the United Nations in all areas of public administration is needed. While the experts had some familiarity with the activities carried out by various bodies and agencies of the United Nations system and identified some specific role for the system in the area of public administration and finance, they directed most of their recommendations at the Programme. However, it must be noted that several of those recommendations directed at the Programme would also be applicable to other United Nations bodies and specialized agencies. Specifically, the United Nations could serve as a global depository for exchange of information and as a central research clearing-house for public administration and development. By enhancing its capacity in the provision of advisory services, the United Nations and the Programme could assist interested countries in initiating and implementing improvement programmes in public administration or rehabilitating and strengthening basic public administrative systems in a post-conflict situation. To successfully meet these challenges, the group of experts strongly recommended that the Programme's scope be broadened and its resources augmented.

160. The Programme should become the central depository and clearing-house for worldwide excellence in public administration practices, using the latest

technology. The effectiveness of the Programme will continue as it maintains and enhances its role in supporting and assisting the reshaping of the civil service systems of Member States.

161. Strengthening the Programme's capacity in the provision of advisory services (in the critical areas of human resources development, financial management and information technology), support for the training and professional development activities of Member States, and conducting upstream research in administrative reform and innovative studies in rehabilitation and reconstruction of post-conflict public administration systems are components requiring immediate attention for improvement.

162. Special attention should be given to significantly increasing the capacity of the Programme in public administration in order to maintain its credibility as the lead institution involved in the management of change and responsiveness to demands on public administration systems.

163. The role of the Programme in assisting Governments to identify and anticipate uncertainty and change and improve their risk-taking, creativity and entrepreneurial capacity should be enlarged.

APPENDIX I

Consolidated recommendations arranged by topic

The recommendations are divided between those addressed to national Governments and those addressed to the United Nations and arranged in each case under nine topics: (a) strengthening government capacity for policy development, administrative restructuring, civil service reform, human resources development and public administration training; (b) improving performance in the public sector; (c) financial management; (d) public-private interaction; (e) social development; (f) developing infrastructure and protecting the environment; (g) government legal capacity; (h) post-conflict rehabilitation and reconstruction of government machinery; (i) management of development programmes.

I. RECOMMENDATIONS TO NATIONAL GOVERNMENTS

A. On strengthening government capacity for policy development, administrative restructuring, civil service reform, human resource development and public administration training

1. Capacity for the management of future-shaping policy should be increased by setting up strong policy development advisory units, having cooperative relationships with politicians and senior civil servants and with policy research and development institutions (think tanks).

2. Restructuring of organizations, functions and management of the administrative apparatus should be treated as an ongoing function. In order to successfully maintain a restructuring programme, Governments should strengthen the capacity of units responsible for this task and locate them where they can initiate and monitor reform measures.

3. The use of information technology is essential at the national level to develop and maintain personnel records for decision-making in selection, promotion and placement.

4. Beyond laws and codes of ethics, Governments should make their procedures transparent so as to combat and deter corruption.

5. Leaders must invest in people in order to provide responsive high-quality services. Effective investment in people is contingent upon top leaders themselves being learners.

6. Human resources strategies are an integral part of strategic plans. They should be based on partnership and collaborative arrangements both within the public sector and society at large.

7. To meet the emerging urgent responsibilities of training in economic management, people-centred development and public policy analysis, adequate resources need to be provided to upgrade the capacity of national training

institutions, to develop a core group of professional trainers and to prepare training materials and case-studies through independent research, consultancy and networking arrangements.

8. Consideration should be given to establishing training programmes addressed to the most senior levels of the civil service (e.g. chief secretaries or vice-ministers) in different sectors of Government (i.e. Ministries of Law, the Interior, Public Service, etc.) at the national, subregional or regional level to improve the capacity of Government to deal with emerging issues of civil society for revitalization of civil services.

B. On improving performance in the public sector

1. Government activities should be oriented towards the citizens whom they serve; for example, ease of access for citizens is more important than the convenience of administrators; service quality should be improved by close communication with citizens to understand their needs and preferences and to obtain feedback on their perceptions of services.

2. Policies and operational frameworks can be improved through analysis of feedback on past organizational performance and thrcugh innovation and experimentation with operational systems and information technology, e.g. in one-stop centres to speed application processing in relevant fields.

3. Governmental organizations - ministries, departments, provinces, local administrations, etc. - should be encouraged to develop strategic plans and indicators for performance improvement, to experiment and to monitor the movement of the indicators. Mechanisms should be developed to encourage these units to share their experiences.

4. High performance is encouraged by (a) establishing clear, complete and non-contradictory goals and policies and indicators of achievement; (b) minimizing the rules, standards and norms from the centre and allowing maximum flexibility in operations; (c) measuring results strictly; and (d) imposing sanctions for non-compliance or poor performance. Central Governments should utilize performance contracts to specify those activities on which organizations are required to cooperate with one another.

5. Specialists should be trained in organizational performance evaluation and the development and measurement of performance indicators, and all administrators and employees should be trained in utilizing performance indicators for performance improvement.

6. A central unit, perhaps with branches in ministries and provinces, should be established as a "management change unit" or "organization change unit" or "management services unit". This unit could usefully perform consultancy and training functions, as well as monitor and facilitate change processes in Government.

7. Needs assessment for computerization should focus on actual utilization needs by organizations, give sufficient attention to training needs, and include

a review of demands on electricity and telecommunication facilities. It is useful to develop a Government-wide information technology (IT) strategy, which includes a full assessment of current systems, hardware and software in use and being developed, as well as the human resources/skills currently available in the various organizations of Government.

8. Information systems such as payroll and personnel management or organizational performance indicators and budget should be integrated, and other information systems should be linked horizontally and vertically, in order to achieve more transparent and relevant decision-making concerning the operations of Government.

9. To accelerate the development of advanced policy capacity, special attention must be given to core learning programmes and to collaborative arrangements for decision- and policy-making (e.g. think tanks).

10. Human resources systems and practices should be:

(a) Merit and performance based, accountable, flexible, responsive and transparent;

(b) Empower, challenge and motivate individual workers to contribute to the work of the public sector;

(c) Benchmarked against best practices.

C. On financial management

1. Governments contemplating fiscal reform should take into account the importance of concomitant tax administration reform since weak tax administration will make it difficult to achieve the objectives of overall fiscal reform.

2. Governments should consider endowing tax administration with administrative and personnel autonomy over recruitment, training and salary structure, with the aim of achieving maximum revenue collection.

3. In least developed countries, Governments should emphasize financial management systems at the grass-roots level to facilitate delivery of services and optimize expenditure control mechanisms for the disbursement of development funds.

4. In adversely affected countries, financial management procedures should be minimal. Core financial management systems need to be simplified to facilitate delivery of humanitarian relief (e.g. requiring simple receipts and expenditure statements from operational managers who are directly accountable for disbursement). Where possible, flows of external aid should be captured by these core systems. Once normalcy is achieved, regular financial management practices can be reinstated.

D. On public-private interaction

1. For each service, the Government needs to consider whether it is a public or private responsibility, whether it needs public or private financing and whether public or private production is more appropriate. Special attention should be given to the development of new services, e.g. in recreation, health and environmental protection, and to the development of reliable cost data.

2. Governments should seek independent evaluations and assessments of their privatization policies and programmes from the sectoral and cross-sectoral agencies of the United Nations. Ex ante evaluations should seek to establish the appropriate place and timing of privatization in structural adjustment programmes and the administrative capacity requirements for successful implementation. Ex post facto evaluations of individual privatization, or particular impacts of a privatization programme, such as the impact on productivity, efficiency and competitiveness, should be obtained in order to feed back the findings to the management of the ongoing programme and ensure that the privatization dividend is fully realized by the general public.

3. Governments need to pay greater attention to the possibilities of performance improvement in parastatals which are not scheduled for sale or liquidation and seek technical assistance as necessary from the international community, including the enterprise management component of the United Nations programme in public administration and finance.

4. Before a Government privatizes or gives pricing autonomy to an enterprise which has monopoly power over its customers, it should set up an independent regulatory apparatus to prescribe rules of the game which will protect the consumers while maintaining legitimate investor returns. A clear policy declaration that the terms of each privatization will be transparently disclosed for public scrutiny immediately after completion would result in major gains in many countries.

5. Regulatory policy should be stable: changes are damaging, not only because of the additional learning costs but also because instability adds to investment risk and deters new investment. There are many issues which arise in the organization and processes of regulation: international experience should be consulted through bilateral and multilateral donors and the United Nations.

6. Governments should provide an enabling and encouraging environment for small and medium-sized enterprise start-ups and expansion by special programmes targeted at this sector. These may include technical assistance in the choice of technology, modernization and quality control, business incubators, industrial parks, export development zones and collaboration with transnational enterprises in joint ventures, subcontracting arrangements, licensing and franchising.

E. On social development

1. Public administrators should monitor the progress of social programmes, assess their impact, balance local, national and international concerns, and

produce analytic reports containing long-term socio-economic planning and projections regarding their social development sector. These reports should examine what has already been accomplished, establish benchmarks and enable the development of strategies and programmes of action.

2. Governments should ratify and apply international standards which have already been approved concerning social development issues such as Convention No. 117 concerning Social Policy (Basic Aims and Standards); Convention No. 122 and Recommendations No. 122 and No. 169 concerning Employment Policy; Convention No. 168 and Recommendation No. 176 concerning Employment Promotion and Protection against Unemployment; Convention No. 87 concerning Freedom of Association and Protection of the Right to Organize of the International Labour Organization.

3. Local authorities, NGOs, grass-roots organizations and other members of civil society must be involved in the movement for social development. Community development programmes must be run with the help of non-State actors who can deliver social programmes effectively.

4. Governments should provide more resources, prestige and power to social agencies to enable them to attract the necessary talent. They should be involved in top Cabinet decision-making and should ensure that funds allocated for social development are not the first to be sacrificed.

5. Governments should also attempt to make their civil service salaries, incentives and conditions of service more competitive with those of the private sector in order to retain the highly qualified people needed for the new and challenging tasks in social development. Accordingly, the Government should be a model employer. Public sector employees should be afforded sufficient job security. They should be equipped with job competencies in order to be efficient and effective as managers of social policy programmes.

F. On developing infrastructure and protecting the environment

1. An integrated approach should be adopted between all levels during the planning stages. Execution and oversight should also be a collaborative process between the various levels. If oversight committees are weak or symbolic, they should be empowered to execute the job they were mandated to do. Where they do not exist, they should be created either by legislative act or administrative action.

2. In many countries the level and scope of infrastructure development cannot depend too heavily on the private sector. Accordingly, public administration must take the lead. It must guard against bad or risky investments of the public's resources. It must ensure that the benefits derived from the economic activity of infrastructure policies reach all segments of the population. When considering infrastructure planning and project evaluation, it is recommended that: first, investments should be based on analysis of the nature of demand for specific services, not of quantitative projections of physical "needs"; second, the planning of supply should take account of all possible alternatives to generate the flow of services demanded; third, choosing between potential

investments within infrastructure, or between infrastructure and other sectors, is best done with the traditional tools of benefit-cost (rate of return) analysis; fourth, utilization of a demand orientation in both the evaluation of investments as well as in their operation and regulation requires performance indicators which reflect quality of service and user satisfaction.

3. What is first needed in any public administration is the establishment of a good workable system. This should include good planning efforts, comprehensive plans, support groups including both financial and problem solving, periodic on-site visits to determine the need and level of maintenance, and leaders who will demonstrate they are committed. Second, a level of maintenance awareness should be established that would turn maintenance projects and policies into productive and efficient programmes for public administration and infrastructure.

4. In many countries specialized development banks are a conduit for funds used in infrastructure projects, especially for municipal infrastructure such as water supply and solid waste disposal. Such institutions can complement a municipality's local taxes and central government transfers, and can cover fluctuations in expenditure or prevent large shifts in revenue requirements. There also exist alternative facilities that offer financing for specific environmentally sensitive infrastructure projects. Also, specialized infrastructure intermediaries could play a catalytic role in capital market development.

5. Public administration should assume the responsibility of establishing environmental standards for all infrastructure policies. Public administration and infrastructure should not be exempted from rules and regulations that are applied to private sector and other agencies. Efforts should be made to integrate environmental considerations into all stages of planning, construction and maintenance of public infrastructure projects, and to incorporate current costs into future projections of construction, operations and maintenance. Where there is an absence of an environmental culture at the local level it is now the responsibility of the Government to introduce such an awareness and to provide the mechanisms to solve problems at the local level. Further, old infrastructure projects and programmes should be brought into line with current environmental standards.

G. On government legal capacity

1. An ongoing review of the legal framework of public administration should be organized in order to update legal systems, to make them coherent and to simplify legal procedures. This should be done with sensitivity for the national culture of each country.

2. Codification of procedures should be pursued as a way to protect the rights of legal subjects in their relations with public administration. Codification of laws must be undertaken in order to facilitate access to law enforcement by all citizens and support full application of legal rights and observation of legal limits by public administration.

3. Dissemination of information regarding the entire range of alternative dispute-resolution techniques (mediation, conciliation, and arbitration), including training in their application, should be assisted as a way of solving potential conflicts between public administrators and citizens before they take steps in a judicial forum.

4. Consideration of spoken traditions should be encouraged in relationships between citizens and the public administration where there are significant issues of illiteracy or where there are cultural traditions that emphasize the spoken word rather than formal written documents. Indigenous social norms (customary law that may not be consonant with the national legal framework) should also be considered in reform efforts.

5. Judicial supervision of public administration should be strengthened, including liability in tort, criminal jurisdiction to address corruption, injunctive remedies for maladministration and judicial review (or other forms of legal review), particularly for alternative dispute-resolution techniques. Judicial reform should consider possible new types of supervision of administration. Additionally, the courts need to be strengthened to meet these challenges. This includes attention to the organization and operation of the judicial system, with sufficient independence to protect the integrity of the judiciary.

6. Non-governmental organizations and the media should be supported in their role of informing citizens and helping them to enforce their rights before administrative bodies and in judicial procedures. This requires both legal provisions to give them the standing to raise issues and the financial means to make them capable of performing these functions.

7. The potential impact of new laws on public administration should be considered in the legislative development process. Care should therefore be taken to formulate laws in terms of general rules, avoiding overly detailed provisions that would deny public administrators the flexibility to exercise their expert discretion in the light of their experience. Any new statutes and regulations should include provisions concerning evaluation of their outcomes and should periodically be reviewed for improvement. The law-making process should be open to the citizens and groups affected in order to enhance the larger sense of participation in the development and operation of the rule of law and to increase both the legitimacy and enforceability of legal norms.

H. On post-conflict rehabilitation and reconstruction of government machinery

1. Rebuilding a public administrative system requires that the Governments define priorities. These may include the restoration and reorganization of key ministries and public organizations which provide basic services such as finance, utilities, basic infrastructure, health, education, justice and public safety.

2. Based on the experiences of the countries that are recovering from trauma, immediate and transitional/long-term strategies may be developed. The immediate

strategy would include: the assessment of national absorptive capacities, both human and capital; defining policy issues and draft national policies; the restructure and operation of key ministries for implementation of the defined policies; the restoration of management systems and tools (e.g. personnel, audit, information); the restoration and management of justice and public safety systems; the retention and enlistment of professional human resources; and provision of crash training and retraining programmes.

3. Transitional/long-term strategies should be committed to rebuilding public organizations and revitalizing the economy, with built-in adaptability to changing conditions. Such strategies would: lay the foundations of comprehensive and integrated financial management systems, including accounting, budgeting, taxation, customs and banking; establish effective human resources development policies and personnel management and training systems; address the relationships between different tiers of government and define substantive competencies for each level; design monitoring and accountability systems in public administration.

I. On management of development programmes

1. The interaction between political decision-making authorities and public administration agencies responsible for formulating and implementing development projects should be strengthened by encouraging thorough public policy analysis. This is crucial to ensure that the development budget is not overburdened with politically determined projects without appropriate technical analysis.

2. The incidence of cost over-runs resulting from delayed implementation, due to unrealistic project budgeting, procedural complexities in procurement of materials and constraints in recruiting appropriate personnel, is quite common. Governments should undertake systematic examination of this phenomenon, using modern management tools, with a view to effecting systematic improvements to minimize the problem. Governments need to reinforce an understanding at all levels of the society that aid is not budget support, and promote the use of aid as a stimulant for development and economic growth in the civil society.

3. Governments are encouraged to develop cross-sectoral, multi-disciplinary skills which support all phases of the development process. This can overcome compartmentalization of administrative functions and responsibilities which is identified as a major administrative constraint facing effective management of development programmes.

4. Governments can support the use and development of rosters of national experts by encouraging training programmes which make skills transfers between technical assistance and national counterparts effective, specifically promoting the use of these rosters by donors seeking support for technical cooperation activities and making these rosters available to their regional partners for evaluation of potential candidates.

5. National Governments must strengthen their capacity to absorb, assimilate and adapt appropriate foreign technology through insistence on having a voice in the selection of foreign experts, designating qualified national counterparts,

developing systems of internal dissemination and building relationships with local research and development institutions. Government negotiators need to be sensitized to any national constraints that require consideration during development programme formulation and bring them forward during discussions with donors. In this way any potential waste of resources through inappropriate programme design can be prevented at the negotiation stage.

6. Another dimension to the effective utilization of national human resources is the need to monitor and evaluate development programmes at open meetings which include all elements of the society. This multi-participatory approach encourages all beneficiaries of the development process to communicate their approval or misgivings concerning the design of programmes, modalities of implementation and compatibility between outcomes and expectations. Transparency, accountability and policy guidance in the formulation of future development programmes can be substantially improved as a result of this participatory process.

II. RECOMMENDATIONS ADDRESSED TO THE UNITED NATIONS

A. On strengthening government capacity for policy development, administrative restructuring, civil service reform, human resource development and public administration training

1. The United Nations programme in public administration and finance (hereinafter referred to as the Programme) should organize exchanges of experience, preparation of case-studies and training of policy professionals. Comparative studies of experience on administrative restructuring should be undertaken by the Programme. These studies should be disseminated on a regular basis. Also, the Programme should support the identification of outstanding training institutions in each region as models for replication by other member nations.

2. The Programme should work together with the Crime Prevention and Criminal Justice Branch to put forward for the consideration of Member States the draft international code of conduct for public officials considered by the Ninth United Nations Congress for the Prevention of Crime and the Treatment of Offenders held at Cairo in May 1995, and have the draft code of conduct brought before the resumed fiftieth session of the General Assembly.

3. The Programme should continue to play a major role assisting in the reorientation of the civil service in developing countries and countries with economies in transition by providing advisory services and through technical assistance projects in administrative restructuring in support of economic liberalization, municipal reform and people-centred development.

4. The Programme should provide advisory services to build the capacity of training institutions, conduct training-of-trainers programmes on a regional/subregional basis, and serve as a centre for dissemination of information on training technologies. There should be a declaration of one day each year as "Public Service Day" to recognize the importance of service by national government administrations to the common citizen. There should also be

instituted by the Secretary-General an annual award or awards for demonstrating excellence in the public service, innovation, entrepreneurship and training for public administration. This award could be given to a Government or individual selected by an appointed group on the basis of established criteria.

5. The United Nations and the international community have a responsibility to structure and promote cooperation. The United Nations must be able to maintain and develop a capacity on which its credibility as a lead organization in this area depends. Specifically, the United Nations should: create and sustain a momentum for dynamic worldwide exchanges of information and ideas in the field of public administration and governance; sustain and support networks for applied research in those fields, including policy studies and the dissemination of knowledge on the best systems and practices worldwide; establish guidelines and promote norms which serve to advance efficiency, effectiveness, integrity, responsiveness and accountability in public administration; assist in the creation of talent pools in developing countries and countries in transition from a command economy to a market economy, in facilitating a mentoring service for top officials, in conducting training needs assessments and, by acting as a broker, to provide access to the best available technology systems and practices and help with their application, as required; provide special assistance to countries in post-conflict situations and collapsed States, helping to restore the effectiveness of public administration and, to this end, reversing the brain drain from which many of them have suffered; facilitate and develop synergies throughout the public sector including the promotion of adherence to the relevant international labour standards in Conventions No. 142, No. 150 and No. 151 and Recommendations No. 150, No. 148 and No. 159 of the International Labour Organization on human resources development, paid education leave and labour relations/public service respectively.

6. A special fund for emergency assistance to rehabilitate/reconstruct public administration in collapsed States should be created.

B. On improving performance in the public sector

1. The Programme should contribute to the development of "management change" units.

2. The Programme should also continue to offer advisory services, based on experience in a wide variety of countries, and especially with teams that are interdisciplinary and multinational. This advice should involve the management of change, performance management and measurement, information technology, and strategic issues of governmental performance improvement.

3. The Programme should develop a roster of "turn-around" managers, who are innovative, creative and able to be of service to other countries through South-South cooperation (technical cooperation among developing countries (TCDC)).

4. The Programme should also develop an on-line e-mail and, eventually, a real-time communications network among innovative management professionals, including the development of framework protocols and cyberspace locationing for this activity. Discussions should be held with other organizations of the

United Nations system which have already implemented this type of networking activity among expert professionals who are involved in similar issues in their countries. They can become a "virtual institute" for sharing information, documents, experience and advice. The Programme can facilitate this activity.

C. On financial management

1. The Programme can conduct regional preparatory surveys to identify specific problems experienced in the shift to a strategic role for financial management, submit a plan for improvement, and arrange regionally based financial management training programmes aimed at middle-level operations officials, professional accountants and the administrative cadre of government.

2. In the area of institution-building for a strategic approach to financial management, it is recommended that the United Nations support technical assistance efforts to: establish the new national institutions required; enhance coordination among existing national institutions; adapt national institutions so that local conditions are fully reflected; develop appropriate information technology resources; and establish the capacity within existing government financial management systems to properly account for external assistance.

3. The Programme should consult, or undertake with other providers, on the preparation and distribution of country-oriented training literature; it should initiate a comprehensive programme for its translation into different languages.

4. It should be proposed to the General Assembly to convene more frequent interregional meetings for regular and more comprehensive coverage of technical topics particular to each group of countries, to integrate the human resource development element of improved financial management, adopt new approaches to training, facilitate consultation concerning regional financial management training programmes, and harmonize financial management technical cooperation initiatives involving donors, international institutions and non-governmental organizations.

5. The United Nations, in cooperation with regional economic commissions and donor Governments and organizations, including non-governmental organizations, should expand its regular budget and technical assistance programmes in support of improving revenue administration and reforms in the fiscal, financial, banking and capital market sectors to promote private sector development and mobilize capital for sustained economic growth. Donor Governments and agencies may consider contributing through substantive and financial support to promote tax administration reforms as a prerequisite to overall fiscal reform and to enhance domestic financial resource mobilization.

6. The United Nations should consider: organizing interregional seminars on improving revenue administration with special emphasis on regional groupings; establishing regional training institutions and programmes and conducting training on tax policy and tax administration aimed at training of trainers and operational government officials as well as general and financial management specialists; preparing tax policy and tax administration country-oriented

training materials in the working languages of the United Nations; promoting tax policy and tax administration training on a multi-regional and TCDC basis; acquiring and providing developing countries with skills in management information systems.

7. The United Nations should study, analyse and disseminate information and perform a clearing-house function for improved accounting methods (e.g. accrual accounting) in Government and emphasize information technology training to enable off-the-shelf financial management software to be evaluated, acquired and utilized as considered appropriate. The United Nations should further undertake studies to develop guidelines and software for core, minimal financial management systems which can be deployed as a temporary measure to remove any constraints to quick disbursal of emergency relief.

D. On public-private interaction

1. The Programme should stand ready to help Governments define the role and scope of the public, mixed and private sectors and to suggest options in the modalities of interaction in accordance with the practical realities in each country, especially at the local and municipal levels, by means of specific technical assistance, dissemination and exchange of country experiences and research on the conditions for successful replication. The United Nations can orchestrate Governments and international agencies in addressing social needs through public-private interactions, and act as a facilitator in the sensitization to needs and in stimulating the flow of resources.

2. The United Nations, including the Programme, should continue and expand its assistance to the Member States concerned with military conversion by, inter alia, collecting and analysing data, managing an information clearing-house, developing enterprise conversion models from case-studies of successes and failures, and providing specific technical support, as required.

3. The United Nations, in collaboration with other agencies including non-governmental organizations, should provide assistance in strengthening the institutional development of the private sector. The Programme might focus on a single issue each year, such as export promotion, job creation and inter-ministerial coordination. The United Nations also has a role in disseminating the concept of decentralization to non-governmental organizations and the private sector, by which the design and management of government programmes are brought closer to the beneficiaries.

4. The international donor community should continue to provide technical assistance in the preparation of State enterprises for privatization, in the identification of bidders and the evaluation of bids, in negotiation with large and powerful buyers, in coupon schemes and broad basing of ownership and in the design and financing of social safety nets. Countries should have options, for instance the choice between authoritarian and participatory models of privatization.

E. On social development

1. The United Nations should focus attention on the need to develop capacities in the social sector of Government as part of a comprehensive attempt to rebuild and enhance national capacities in the formulation and implementation of public policy at all levels. Having regard for the far-reaching implications and complexities of those policies, the United Nations system of organizations and the Bretton Woods institutions should promote consistent and closely concerted approaches on social issues.

2. In supporting well-balanced programmes in administration of social programmes, the United Nations must take account of historical, political and cultural diversity of Member States. The United Nations should serve as a clearing-house for information on social development administration and should analyse current and future trends in order to develop a new paradigm of human development. It should assist developing countries, at their request, in developing long-term policy instruments for dealing with social concerns and implementing the goals of the international conferences. The United Nations should also contribute to national capacity-building in planning and implementation of social development programmes.

3. Future meetings of the United Nations and the Group of Experts on Public Administration and Finance should follow up the recommendations of the World Summit for Social Development, as well as other international conferences (the World Conference on Human Rights, the United Nations Conference on Environment and Development, the United Nations Conference on Population and Development, the Fourth World Conference on Women, etc.), to ensure full consideration of the public administration and finance dimension.

4. The United Nations should deliberate creatively on a new paradigm of development, taking account of the approaching social development crisis due to the explosive growth of population over the next 20 to 50 years, which reflects the growing need for solidarity and interdependence at the subnational level and among Member States. It should give stronger impetus to the far-reaching measures which must be adopted, especially by the developed countries, and further assist in mobilizing funds to help Governments implement their social development programmes.

5. The United Nations, as well as the international community, should significantly increase their activities in providing effective support to institution-building efforts in developing countries and countries in transition. This can be done by pooling information, facilitating exchanges of worldwide experience on best systems and practices, and advisory missions as required. The United Nations should also disseminate information on the goals and recommendations of international conferences and assist Governments, at their request, in translating these recommendations into programmes of action.

6. The United Nations should assist developing countries, at their request, in capacity-building for socio-economic development. In particular, it should promote the training of social policy planners and other categories of civil servants dealing with social issues (e.g. in departments of finance, trade,

etc.). Furthermore, it should assist grass-roots communities and train indigenous leaders who can organize for social development.

7. The United Nations should assist Governments by focusing attention on the policy/administrative implications of the recommendations advanced at various international forums and indicate the needs for knowledge, skills and values at the national level.

8. It is strongly recommended that the United Nations assist national Governments to analyse and determine, quantitatively and qualitatively, the need for high-level skills to implement the recommendations of the World Summit for Social Development and other conferences on social issues and social policies in general; assist those Governments to elaborate the personnel policy framework needed to attract and retain those skills; and assist those Governments in training and upgrading such personnel.

F. On developing the infrastructure and protecting the environment

1. Historically, the United Nations has been providing advisory services in this area. The Programme has the capacity to continue this service and to assist in the planning stages at all levels. This role should be expanded. The increased assistance of the United Nations, particularly of the Programme, i the areas of administrative capacity-building and infrastructure management support is encouraged.

2. The United Nations and the Programme should play a role in: establishing procedures for assessing environmental impacts of infrastructure projects; technical support and capacity-building; advancing environmental awareness; developing the skills of both managers and workers and educating them in the new technologies in order for them to carry out their regulatory mandates.

3. The United Nations should assist in the planning and financing of infrastructure projects by providing the expertise and knowledge of new methods of non-linear analysis that are currently emerging. The Programme can assist in the development and execution of cost-effective infrastructure development and maintenance programmes, particularly at the local level.

4. An international trust fund, perhaps under the guidance of the United Nations, could be established to assist in the conversion of existing infrastructure programmes to meet new environmental standards.

G. On strengthening government legal capacity

1. The United Nations should develop and support research seminars and services, at the request of interested countries, to improve the legal framework of public administration, advise on codification, train public officials and judges, disseminate experiences from other countries and regions, and provide a group of expert advisers who can ensure a sharing of expertise. A critical element of this effort is facilitation of research on comparative legal issues. Existing international and regional-intergovernmental organizations active in

the field of public administration should be supported by the United Nations in order to allow them to participate in this activity.

2. The United Nations should highlight and disseminate written formulations of general principles of public administration which are now widely accepted and which should be presented in discussions of the legal framework as references for Governments and citizens such as on legal stability, equality before the law, due process of law, access to participation opportunities, transparency and accountability.

3. The United Nations should offer assistance to countries attempting to modernize the legal framework with respect to human resources management, particularly as the laws relate to the civil service.

4. The United Nations should undertake to support research on the complex issues of accountability and responsibility in developing and transitional countries with particular concern for the manner in which the legal framework of public administration can assist the overall effort to enhance accountability. Capacity-building will be necessary for many countries that wish to undertake this task, including education for non-governmental organizations which assist citizens in their claims on public administration.

5. The United Nations should encourage international groups and intergovernmental groups such as regional development bodies to assist in informing national public administration groups and civil servants of significant international legal changes and the manner in which feedback can be provided for possible future revisions in international accords. The United Nations could undertake to assist countries in incorporating the principles of international human rights accords into the legal framework of public administration.

6. The United Nations should support studies of the ways in which anticipated future trends in the context and challenges of public administration will require changes in the legal framework, suggesting how such forces of change can be met. For example, the tendencies towards deregulation alongside new regulatory demands from the international community, continued efforts at decentralization and de-layering of Governments, and enhanced use of market-oriented regulatory tools all call for adjustments in contemporary legal systems and capacity-building in civil service systems. These reform efforts should proceed with primary attention devoted to the stated goal of the United Nations to assist developing and transitional nations in meeting the challenges of inequalities, poverty and social cohesion in pursuit of the critical goal of sustainable development. Attention to the law of the civil service is essential to secure the competency, neutrality and professionalism of public administration and therefore in governance.

H. On post-conflict rehabilitation and reconstruction of government machinery

1. To maximize the effectiveness of international efforts, the United Nations should strengthen its role as facilitator and coordinator. Agencies should work

together as a team, complementing each other's efforts. The United Nations should ensure that it is operationally ready to respond to requests for assistance by building a repository of experience, by planning and by maintaining a roster of qualified professionals and specialized organizations. There should be new and innovative approaches which include the direct funding of reconstruction projects to different levels of Government as well as civic organizations. The United Nations should monitor and, where necessary, follow up on aid commitments.

2. The Programme should play a pivotal role in assisting in all phases of restoration and restructuring of public administration institutions. It should strengthen the professional expertise and other capabilities to assess needs, design action plans, mobilize resources and assist in implementation. The United Nations and, in particular, the Programme should develop the concepts and capabilities of preventive management of potentially unstable situations.

3. The United Nations should create an interdisciplinary knowledge base built on a computerized information and communications system that will support inter-organizational and inter-jurisdictional planning and operations in response and recovery. Alternative systems, based on rearranging existing national resources, including self-organization, should be considered.

4. Assistance by the United Nations should serve as a positive influence that facilitates national consensus-building and the process of political, economic and social integration.

I. On management of development programmes

1. The institutional machinery for evaluating consistency between project outcomes and macro objectives such as growth, employment and income distribution, both ex ante and ex post facto, should be strengthened. This is an area in which technical assistance from the United Nations would be of great use to Member States.

2. The United Nations can assist countries to strengthen their negotiating capabilities with donors through training and better information exchanges between government agencies.

3. The United Nations can assist by providing support and collaboration to existing regional institutions to convene more regular regional and interregional seminars at which effective exchanges of regional and South-South information can be made. The United Nations can significantly advance collaboration and interaction of a regional and South-South nature by launching and supporting a databank programme located in appropriate regional institutions. The secretariat capacities of these institutions could be mobilized to compile, and subsequently update, databases which are accessible through Internet inquiry facilities. The focus of these databases can vary, depending on the information that regional member countries elect to promulgate to national, regional and international inquirers, e.g. a roster of national technical experts, national contracts being tendered, pre-approved contractors for technical implementation, development projects being implemented, etc. The

United Nations can support more extensive utilization and development of this resource by assisting countries to create and promote exchanges of comprehensive national rosters of experts and technical contractors.

4. Because there exists a critical need for an appropriate individual mechanism to sustain the important role of public administration and development at the international level, it is recommended that the Group of Experts be changed into an intergovernmental body as a full-fledged subsidiary of ECOSOC. This will provide direct linkages with Member States and other institutions and greater visibility, leadership and continuity for public administration and development that an intergovernmental body is expected to provide at the global level.

5. Because the need for sustaining the role of public adminstration and development is such an important one, regional and interregional seminars should be held before the convening of the resumed session of the General Assembly in the spring of 1996 to disseminate and discuss the report of the Group of Experts and the consolidated report of the Secretary-General. Such activities should be geared to clarify the issues of public administration in development and mobilize support from Member States for due recognition of the role and significance of public administration at both the national and international levels.

APPENDIX II

Agenda

1. Opening of the session.

2. Remarks by the Director and Secretary of the Meeting.

3. Election of officers.

4. Adoption of the agenda and organization of work.

5. Substantive items for discussion:

(a) Government capacity for policy development;

(b) Administrative reform, civil service reform and management training;

(c) Financial management;

(d) Human resources development;

(e) Public-private interaction;

(f) Improving the performance of the public sector;

(g) Role of public administration in promoting social development;

(h) Role of public administration in developing infrastructure and protecting the environment;

(i) Government capacity in the legal and regulatory framework;

(j) Post-conflict rehabilitation and reconstruction of government machinery;

(k) Role of public administration in the management of development programmes.

6. Review of the United Nations programme in public administration and finance:

(a) Programme review and future orientation;

(b) Coordination with other United Nations bodies and the specialized agencies.

7. Adoption of the report of the twelfth meeting of the Group of Experts.

APPENDIX III

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